DVA CHILD CARE CENTERS AND EMPLOYEE CHILD CARE SERVICES

HEARING

BEFORE THE

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

JULY 11, 1990

Printed for the use of the Committee on Veterans' Affairs

Serial No. 101-54

U.S. GOVERNMENT PRINTING OFFICE
34-357 WASHINGTON : 1991

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H761-6.

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DVA CHILD CARE CENTERS AND EMPLOYEE CHILD CARE SERVICES

WEDNESDAY, JULY 11, 1990

House of Representatives,
Subcommittee on Oversight and Investigations,
Committee on Veterans' Affairs,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:07 a.m., in room 334, Cannon House Office Building, Hon. Lane Evans (chairman of the subcommittee) presiding.

Present: Representatives Evans, Kennedy and Long.

OPENING STATEMENT OF CHAIRMAN EVANS

Mr. Evans. Good morning and welcome. The subcommittee is meeting this morning to examine the status of VA child care centers and to review child care services for VA employees.

During today's hearing, we plan to examine the current availability and sufficiency of on-site child care for VA employees. Use of the day care authority enacted two years ago, in May of 1988, as part of Public Law 100-322, is of particular interest to the subcommittee. The adequacy of child care services for VA employees, such as referral services, will also be reviewed.

Last September, the VA issued a circular on child care services. That circular recognized the importance of employee child care and "the increasing number of working single parents and two wage-earner families" in the work force.

"For many employees," the circular stated, "the greatest enhancement a workplace could have would be convenient quality day care for their children. Two ways in which this can be accomplished are establishing work site child care centers or developing referral services when adequate child care services are available and accessible in the local community."

The circular also noted that by responding to employee child concerns, the VA would enhance its ability to recruit and retain the best qualified work force to provide services to veterans.

In the past, child care was frequently provided at home by a family member or neighbor. Today, however, these former traditional sources of child care are less available, reflecting three decades of dramatic change in the labor force.

Today, many working parents know from first-hand experience what the experts have told us: there is a shortage of quality child care. For these parents, the availability, quality and cost of child care can be constant and critical concerns. In fact, because the quality, cost and availability of child care have become a nationwide concern, a new national policy is now being formulated.

Clearly, veterans have an important stake in this issue also. If the VA cannot recruit and retain the best qualified employees because child care assistance is inadequate, the quality of care and services provided to the Nation's veterans may be jeopardized.

Frankly, it also makes good business sense for the Department of Veterans Affairs and the GSA to respond effectively to employee child care concerns. According to one report, child care related absenteeism costs the private sector about $3 billion per year. By effectively addressing employee concerns, child care related absenteeism can be reduced, employee turnover can be lowered, and productivity can be improved. Smart employers are responding to the concerns of their employees. With a work force of 245,000 employees, the VA should be a leader in providing employee child care assistance.

We are very glad to have so many people here for this hearing. Congressman Bob Stump, the ranking Republican member of the subcommittee, will be joining us soon. When he does, we will recognize him for any statement he would like to make.

[The prepared statement of Hon. Bob Stump appears at p. 35.]

Mr. EVANS. At this time we will begin with our first witness panel. The members of our first panel today are Frank DeGeorge, John Sturdivant, and James Peirce, if they would come forward to the witness table.

Frank is the Associate Legislative Director of the Paralyzed Veterans of America. John serves as National President of the American Federation of Government Employees. An Air Force veteran, John has been active in many labor and community activities. He is director of the Occupational Health Legal Rights Foundation, the Industrial Union Department of the AFL-CIO and the National Coalition of Black Voter Participation.

Jim is President of the National Federation of Federal Employees. He has served on the Federal Employees Pay Council and the Federal Prevailing Rate Advisory Committee. He is a Navy veteran.

It's a pleasure for me to welcome each one of you. Frank, you may begin. You are the only veterans' organization here today, so we particularly appreciate the PVA's interest in this important issue. We will now recognize you.

STATEMENT OF FRANK DE GEORGE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. DEGEORGE. Thank you, Mr. Chairman, and also thank you, on behalf of PVA, for the opportunity to appear here and present testimony this morning.

Mr. Chairman, this hearing to examine the status of DVA child care centers and employee child care services is timely and most appropriate. As the VA continues to face a shortage of personnel in the critical area of health care, as more women continue to enter the work force, and as more families depend on two incomes, VA must remain flexible to meet the needs of this changing labor force. The establishment of child care centers in VA facilities is certainly a favorable means of attracting new employees into the VA system.

In 1987, with the enactment of Public Law 100-322, VA was granted the actual authority to establish and maintain child care centers. Until this time, child care centers in VA facilities were established through contract/leasing agreements or sharing agreements. According to Public Law 100-322, while VA is to provide existing unused space, custodial services and utilities, the Veterans Canteen Service is responsible for all other costs of the operation. The House Committee on Veterans' Affairs acknowledged that such a program would further encourage a cost-effective incentive for persons to seek employment with the VA.

The VA has approximately 22 child care centers in operation nationwide, either directly or by contract. Approximately half of these centers can be found in VA regional offices and half are located in VA medical centers. There are four child care centers utilized by VA employees which are operated through other means such as sharing agreements. These programs consist of spaces rented from nearby military or community facilities.

Given that, there are still problems. Although the VA and the Veterans Canteen Service appear to be establishing a record of success with their numerous child care programs available to VA employees, there are several areas of concern which should be addressed.

The first area of concern centers mainly on the programs which have been established through contract or lease agreements. In such instances, private firms have leased available space in VA facilities and are operating child care centers. Since these operations take place on what is termed "Federal property", the State declines to evaluate and license such programs. Unfortunately, the Federal Government has not established Federal guidelines for child day care centers. Therefore, these centers are currently not subject to inspection or regulation.

Inspection and regulation of child care programs is an important and necessary step in operating a child care center. It applies not only to the need to evaluate appropriate staffing ratios, but also to such areas as health and safety. Since children require special arrangements, such things as heating and air conditioning must be specially altered to meet the needs of children as well as special precautions taken to ensure their safety. However, without inspection and regulation, there is no incentive for day care centers leasing space from VA facilities to voluntarily adhere to standards set by individual States.

To address this area of concern, PVA recommends that the VA's Office of Child Care establish standards for child care centers to which these contracted programs must adhere, as well as monitor these programs for compliance.

According to market survey studies performed for the VA Office of Child care, VA medical centers with 1,000 employees usually indicate only 25 to 50 children would be eligible for enrollment in a newly-established program. Since the most cost-effective program must accommodate at least 60 children, it does not appear feasible for VCS to establish new child care programs in such instances.

If VA was provided more flexibility in the eligibility criteria for these programs, it might become more feasible for the Canteen Service to operate child care centers. If VA was able to establish larger child care program, with at least 60 children, the fees charged for the care of each child would be more in line with fees charged in the community for similar services. Of course, we are not advocating that the program's eligibility be so flexible as to hamper the ability of VA employees to enroll their children in a VA child care program. We do, however, suggest that a limited number of spaces be made available in the initial years of the program, perhaps through a sharing agreement, to potential clients in the community in an effort to stimulate the growth of more child care centers in VA facilities.

Another obstacle includes the cost of renovating a vacant space to meet the needs of children, as well as fulfill State requirements mandated for VCS-operated child care centers, which is a costly undertaking. VA described in its fiscal year 1991 budget proposal plans to establish ten new child care centers in 1991, expanding to a total of 50 by 1995. However, this plan will not be feasible without additional funding to cover the cost of renovation which VA estimates to range from $50,000 to $400,000.

VA has also proposed legislation in which the cost of such renovation would no longer be reimbursable, thereby making the process easier for the VCS to establish new child care centers. VA proposes the cost of renovation come from the medical care appropriation and that this account be increased by $1.2 million. PVA views this proposal as a feasible option only if the medical care appropriation is increased proportionally to cover the costs of renovating existing sites for child care centers.

On that note, Mr. Chairman, I would conclude my presentation.

[The prepared statement of Frank DeGeorge appears at p. 36.]

Mr. Evans. Thank you, Frank.

Mr. Sturdivant.

STATEMENT OF JOHN N. STURDIVANT, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

Mr. Sturdivant. Thank you, Mr. Chairman. In the interest of time, I'm going to summarize my statement and perhaps save some time for questions that you might want to ask.

Mr. Evans. Your full statement will be made part of the record.

Mr. Sturdivant. Thank you, Mr. Chairman.

On behalf of the some 700,000 Federal employees our union represents, including 120,000 employees of the Department of Veterans Affairs, we thank you for this opportunity to testify here today on the establishment of child care centers and employee child care services at the DVA.

Two years ago, the Government acknowledged the dramatic changes arising in the modern workplace in its publication entitled "Civil Service 2000". This report pointed out that in the 1990s almost 50 percent of the work force will be female. Already, over half of the mothers of children under 2 years of age work full time out of the home. With Federal pay and benefits lagging behind prevailing rates in the private sector, and with due consideration to the fact that women still take primary responsibility for the care of children, OPM recognized that in order to situate the Federal Government in a position to attract and maintain a high quality Federal work force, changes were needed in the traditional employment benefit package.

Our union has been directly involved in the establishment of a majority of the on-site child care centers in Federal facilities. One of the earliest, and one which we consider to be a model center, is the Department of Labor day care center which operates just two blocks from here and exists as a direct result of a collective bargaining agreement between AFGE Local 12 and the Department of Labor.

We at AFGE are quite pleased that a new willingness to explore changes in its employment practices has emerged at DVA. Many AFGE locals are already enjoying the benefits of this change of attitude as DVA directors join with union officials to survey their work force and plan the opening of day care centers for children.

As with any new endeavor, it is best to be cautious about the many problems which exist in the area of on-site child care centers. I believe my colleague from the PVA talked about some of those and a lot of those are in my prepared testimony.

AFGE believes that one of the most effective solutions to the problem of affordability would be prompt enactment of the child care legislation already passed by both Houses of the Congress. Other examples include more traditional fundraisers by unions and parents, such as union-sponsored scholarships.

One example is that recently, the Local Women's Coordinator at AFGE Local 940, at the DVA's Philadelphia Regional Office, found private funding to offset tuition expenses at its on-site child care center. The AFGE local union, having negotiated the opening of this center, now acts as a financial assistance office by preparing applications for private scholarships for the children of DVA employees who are paid too little to afford its services.

We recommend that the DVA be equally creative in seeking quality and affordable child care. AFGE believes strongly that on-site child care is an extremely desirable benefit for Federal employment. Not every Federal employee in need of child care services will want to take advantage of these centers, but their convenience, quality and affordability are likely to be strong factors in their endeavor.

There is no question that today's working families require more accommodations from their employers than in earlier years. AFGE can and will help the DVA realize its goal of providing good quality child care centers. By remaining flexible and being creative, by teaming up with union representatives, GSA, OPM, and child care advocates, and by continuing to fight for affordable quality child care through the legislative process, a solution to the needs of today's working families can be found.

Mr. Chairman, I thank you for this opportunity and I'll be glad to try to answer any questions you may have.

[The prepared statement of John N. Sturdivant appears at p. 41.]

Mr. Evans. All right, John. Thank you very much.

Mr. Peirce.

STATEMENT OF JAMES M. PEIRCE, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. PEIRCE. Thank you, Mr. Chairman. I will summarize very briefly and will give a couple of examples.

I would like to say, Mr. Chairman, thank you very much. We appreciate this opportunity to appear before you today to present our views on the Department of Veterans Affairs child care centers and employee child care services.

NFFE has supported on-site child care centers for years. We think it's one of the things we have to have in society today if we are to actually accommodate working mothers, to take the stress of of them and so forth.

I would like to give two examples, which is basically our experience so far with the VA. Approximately five years ago, NFFE VA locals in New York and California began the drive for on-site child care facilities. However, their experiences differ vastly. The commitment of the administration of each medical facility was the crucial factor in determining how quickly and efficiently an on-site child care facility was established.

At the Northport Veterans Medical Facility in Huntington, NY the child care needs of the employees were a high priority. The cooperative efforts between the Northport VA and its employees resulted in an affordable, high quality day care facility that reflects the resourcefulness, inventiveness and commitment of the employees to safe, affordable child care.

Unfortunately, the VA Medical Center in San Francisco has been hampered in their efforts to replicate this program. The previous hospital directors were not committed to finding or providing space for a child care center. As such, the program is still in its formative stages, although it hopes to be operational by this fall.

NFFE strongly believes that on-site child care, provided in part by employers, can successfully meet the increasing demand for quality child care programs.

In 1987, the Northport Veterans Medical Center began providing, free of charge, the space and utilities for the operation of the "We Love 'Em Day Care Center." The "We Love 'Em Day Care Center" is a success story.

Currently, the four-room facility serves approximately 40 children. Provisions are presently being made to expand the center to include 65 children. The furnishings and physical materials for the center were solicited by hospital employees from a variety of sources. For example, the desks, chairs and tables were donated by the local high school. The play and exercise equipment was acquired through a program sponsored by the Campbell Soup Company. The baby cribs were donated by hospital employees and their families.

The center is funded primarily by annual fundraisers: plant sales, bake sales and garage sales. Additionally, a portion of the funds comes from the Combined Federal Campaign Check-off program. As a result, parents currently pay approximately $30 per week per child. As a comparison, child care services in the District of Columbia cost as much as $1,000 a month. We believe that the

"We Love 'Em Day Care Center" is an affordable, high quality program.

However, the VA Medical Center in San Francisco has been hampered in its efforts to establish a similar program. For the past 5 years, a group of approximately 20 employees and the union at the VA Medical Center in San Francisco has worked to develop an on-site child care facility. However, their efforts have been blocked by an administration that was not, until recently, committed to finding or providing space to establish a child care center. Nevertheless, this group has been able to raise $85,000 for the child care center which they hope to establish. Known as the "Cheryl Andersen Sorensen Child Care Center", the facility is expected to be housed in a prefabricated modular unit located in a VA parking lot. Unlike the Northport child care facility, the VA in San Francisco has rebuffed employee attempts to encourage the medical center to assume the payment of utilities. It will hopefully be operational by October 1, 1990.

While these two examples provide an insight into the factors necessary for a successful on-site child care program, we must reiterate that they should not be extrapolated to the experiences at other VA medical facilities. We would like to believe that our experience at Northport is the rule. However, we cannot substantiate this as fact. We do know, in fact, that we're not getting the leadership, the guidance and support from top side down and from the VA leaders at the local levels.

Mr. Chairman, I could go on with this, but in order to save time and get to some questions, I will conclude it there. I am ready for any questions you might have. Thank you.

[The prepared statement of James M. Peirce appears at p. 49.]

Mr. **Evans**. First of all, let me start where you ended, and that is to congratulate your employees for the initiative that they've shown. Your testimony, as John's testimony, has pointed out that we don't have a policy throughout the VA at this point that, in a coherent way, addresses what is one of the most important problems that I think we're going to face in terms of recruiting and retaining highly-qualified health personnel to serve veterans. In fact, John, your testimony noted that the Department of Labor day care center exists as a direct result of collective bargaining between your local and the Department of Labor.

For both of you, if you could answer this question, has on-site child care been the subject of other collective bargaining agreements with the Federal Government in general or the VA in particular?

Mr. **Sturdivant**. Yes, Mr. Chairman. In fact, I was thinking a little bit this morning while coming up here, just trying to remember, and as far back as 1960, or 1961, the old Office of Economic Opportunity, when they negotiated their first collective bargaining agreement—of course, as we know, that agency is out of business now—but when they negotiated their first collective bargaining agreement, it included provisions for an on-site child care center in 1960.

I was thinking back, when I was a local union president, I believe back starting in 1968, sometime around the 1970s, we never got the child care center, but we did get language into the contract where we got management to study the feasibility of a child care center. I don't think they've gotten one up there since.

More recently, our Social Security Council, although we didn't get it in that much-vaunted contract that we finally got settled, we do have sidebar agreements and over at the Baltimore headquarters they have done a survey and negotiated provisions to open up a child care center at the headquarters. They then will be moving, as a result of collective bargaining, to the payment centers across the country. The Commissioner over there, who has expressed an extremely enlightened attitude, has indicated—and I don't know that this will be something we can bargain for; we probably will try—but indicated some type of elder care at some of the payment centers. So there is some movement there.

We have a good child care center that was negotiated in the VA in North Chicago. There is one at our VA facility in, I believe, Cincinnati. I mentioned the one up in the Philadelphia Regional Office, which I visited, and I was very impressed. There will be a facility down at the VA in Salisbury, NC. I don't know that they've negotiated that, but a lot of times we try to operate—if it's not in the contract—we try to operate on the basis of labor-management cooperation and try to do it outside of the collective bargaining agreement. So we have some history on that.

Mr. EVANS. Jim?

Mr. PEIRCE. I would say that's true. I want to say, however, for a long time—and we've been supporting the on-site child care centers for years—it has been a real rough road, primarily because management, number one, didn't see the need. Again, it's a lack of vision I think in the leadership and guidance in hitting in these directions, getting somebody to agree to it. Secondly, the fact that most often you need some type of subsidy in order to even get off the ground. A few years ago, with GSA, we went into some efforts on that. Some of them worked out pretty good.

The biggest problem we've had overall, I think, is that by the time we get the day care center established, on line and running, the only ones that can utilize it are the higher paid employees. That defeats the very purpose of it, because what we need to look at are those employees who are single parents, that ofttimes have the lower grade and the lower pay end of it, and they aren't able to utilize it because of the cost on it. This is something we really have to look to fix.

Mr. EVANS. Frank had mentioned some kind of financial assistance to VA employees that might fall under those categories. I might ask him what kind of program he would imagine, what this would involve, and how much the cost of that program might be nationwide, if you have any estimates.

Mr. DEGEORGE. I really don't have the cost figures at this point, Mr. Chairman. I would be happy to respond at a later date to answer your question in total. I don't have all the facts and figures right there with me.

(Subsequently, the Paralyzed Veterans of America provided the following information:)

There are various public and private child care programs which subsidize fees for clients in an attempt to make such care more affordable. In the Washington Metropolitan area, examples of financial assistance for child care ranges from Head Start and/or Title XX funding—with no fee charged to families who meet income requirements—to private or corporate tuition scholarships and sibling discounts.

The most commonly used method of subsidizing child care costs is the use of sliding scale fees. As you know, the use of such fees necessitates that those clients with higher incomes pay full fees while those with lower incomes pay discounted fees, which are usually based on a percentage of their income. It is important to note that the range of sliding scales fees vary according to the cost of running child care programs. In this case one must take into account the area of the country in which the program is located, the type of child care facility and the age of children in the facility. The range of fees in the Washington Metropolitan area begins with a full fee of $600 to $700 per month for infants while low income families may pay no fee at all to facilities which accept Title XX funds.

The growing need not only for child care but for financial assistance as well is indicated by a recent survey performed by Metropolitan Mothers at Work, Inc. According to their survey of 103 Washington based companies, 45 percent of these respondents offer some type of arrangement with a day care center or financial assistance. Although 55 percent of the survey respondents do not offer any form of child care assistance, 63 percent of this group continue to believe that offering child care benefits will reduce the number of days their employees miss. Close to half of the respondents also believe that offering child care benefits will also help reduce employee turnover.

While a large selection of government agencies in the Washington area such as the Department of Health and Human Services, Department of the Interior, Department of Transportation, as well as the U.S. Senate offer on- or off-site child care, none offer financial assistance. It is imperative that while the Department of Veterans Affairs continues to establish child care facilities, some type of financial assistance be developed to enable all DVA employees the ability to take advantage of such facilities.

Mr. EVANS. A coherent national policy throughout the VA might remove one very contentious issue from the bargaining table when you're negotiating collective bargaining agreements, I assume, too.

Mr. PEIRCE. One thing that we attempted to try in one instance was paying on the basis to pay. In other words, those employees that were making less wouldn't pay as much as those that were making more. I don't know. To a certain extent, it may have had some success, but there's always that lack of desire for somebody that's making more money to pay more for the same service. I don't know that I can disagree with them. But it might be a direction we can look at to solve some of the problems.

Mr. EVANS. John?

Mr. STURDIVANT. Mr. Chairman, just to point out a couple other things and, I guess, some of the philosophical or policy impediments that we run into. As I'm sure you know, every one, at all political levels, has talked about the importance of the family and have talked about the whole bit. You've heard the rhetoric.

Just to give you an example, in 1980 we negotiated with the Air Force Logistics Command, which I believe we have over 90,000 employees. We negotiated with them for child day care centers at these large Air Force logistics bases. Well, we really didn't negotiate it. We ended up at an impasse, and that was an issue we won from a third party. The Air Force fought us tooth and nail until 1987, under the threat of court orders and injunctions, and it really took getting a new general at the head of the Air Force Logistics Command before we were able to settle that issue. We finally settled it and we have child day care centers at all those Air Force logistics centers. It serves the employer well, it serves the employees well, it has cut down on absenteeism, and it has made for more morale at the workplace. So the question comes, why did they fight us for almost 7 years for something that has obviously benefited the person who's trying to get the work done?

The other problem that we have—and in some of your defense responsibilities, I would request you keep an eye on this—we've had instances where we've got a decision for negotiated child care up in Alaska. I think it might have been Fort Richardson or one of those bases up in the Northwest. We've had repeated attempts by some members to put in language to prohibit that issue being negotiated, ostensibly because it would take away services from the military. Well, the military needs help and the civilians who back the military up on these bases need help, too. So I think what we're dealing with is we say one thing but our actions seem to indicate we're going to do something else.

Mr. EVANS. I appreciate your bringing that up, because my other committee is the Armed Services Committee, and the Chairman of our full Committee also serves on the Armed Services Committee. We would appreciate you providing us more information in that regard.

Mr. STURDIVANT. Yes, we would be happy to, Mr. Chairman.

Mr. EVANS. Congresswoman Long?

Ms. LONG. No questions, Mr. Chairman.

Mr. EVANS. Minority counsel?

Mr. KINGSTON SMITH. Thank you, Mr. Chairman.

Are the members of the panel familiar with the bill Chairman Montgomery and Ranking Member Bob Stump introduced by request of the Department of Veterans Affairs, H.R. 5164? It's a bill which advances the so-called "enhanced use" concept. This would involve the private sector by allowing private day care providers to use VA-owned land to construct day care facilities and operate the day care facilities on the medical center property in order that VA and other Federal employees could be provided day care services.

Are any members of the panel familiar with the bill and, if so, would you comment on it?

Mr. PEIRCE. Only to the extent that I understood there was such a bill.

Mr. STURDIVANT. We haven't taken a position on it, or we haven't really analyzed it, but we definitely will take a look at it because it obviously will have some type of impact on VA employees and the availability of child care. It could be good. We're certainly are not doctrinaire and we think the private sector can provide a role perhaps in this area. I believe that's one of the things we talked about in being flexible. Let's not be doctrinaire. Let's try some different things. Let's try many different things, getting with the communities.

In a lot of instances, in a lot of small towns, the Veterans' Administration hospital is the major employer in that city. It's a leader in the community. So it could fulfill a leadership role that could probably provide not only facilities for the employees but, say, maybe some facilities for other people who are in the community that are probably at the same income level as some of those VA employees. So that's a leadership role that the VA could provide.

Mr. KINGSTON SMITH. Thank you.

We would like to ask a question of the panelists for the record, for them to respond to the merits of the bill, once they've had an opportunity to take a look at it. Thank you.

Mr. Evans. Without objection, those questions and answers will be made an official part of the record.

We thank you very much. We appreciate your testimony.

Mr. Peirce. Thank you, Mr. Chairman.

Mr. Sturdivant. Thank you, Mr. Chairman.

Mr. Evans. The members of our next panel of witnesses are Bette Davis, Pamela Rachal, and Edward Murphy.

Bette is the Legislative Director of the Nurses Organization of Veterans Affairs, NOVA. She is a clinical nurse specialist and a psychiatric liaison consultant.

Pamela is representing the American Nurses' Association. She is an RN and is Head Nurse at the Washington, D.C. VA Medical Center.

Ed Murphy is Legislative Director for the National Association of Government Employees. He has appeared before the subcommittee before and it's a pleasure to welcome him back.

Bette, we will start with you.

STATEMENT OF BETTE DAVIS, RN MS, LEGISLATIVE DIRECTOR, NURSES ORGANIZATION OF VETERANS AFFAIRS

Ms. Davis. Mr. Chairman and members of the subcommittee, thank you for holding this hearing to examine the status of VA child care centers and employee child care services.

As an organization of registered nurses committed to providing quality care to veteran patients, NOVA believes that the availability of child care services at our medical centers is important in recruiting and retaining qualified health care personnel.

Employer-subsidized child care facilities is becoming one of the most popular employee benefits. Women currently are 80 percent of the work force in hospitals, making child care a crucial issue.

NOVA applauded the passage of Public Law 100-322 which supports the establishment of VA child care centers. Unfortunately, it appears little progress has been made in establishing the day care facilities as authorized in the 100th Congress. As of this date, there has been no distribution of national guidance to the field regarding how to proceed. In some cases, VA employees have initiated steps on their own towards establishing a child care center. However, many have become discouraged and abandoned their efforts. The difficulties of finding appropriate space, obtaining liability insurance, and meeting community standards often present obstacles that, without VA policy and support, seem insurmountable.

Yet, some of the medical centers have succeeded in establishing child care centers. Their extensive efforts have included forming a variety of cooperative relationships with community groups, engaging in fundraising activities or offering sliding scale fees to employees who earn lower wages. Many nurses and LPNs have not been able to take advantage of the centers because the cost was too high or the hours of operation did not accommodate the mandatory shift rotation required of nursing personnel.

Each locale is unique in the way it operates, as well as in the services it provides: the hours of operation, the age of children it accepts, the fees charged, and whether or not it has a sliding fee scale. The overall impression is that the existing child care centers are viewed positively as a service to employees and are considered a positive factor in recruitment and retention.

VA acknowledges the importance of child care centers and services and has been directed to provide the Veterans Canteen Service with existing space in VA facilities for use as child care centers. Under current law, the Canteen Service must reimburse the facility for the costs of conversion, with no provision for extending reimbursement over a multiyear period. If this financial burden imposed on the Canteen Service is a factor in limiting its ability to establish child care centers, NOVA supports amending the law to permit medical facilities to convert space for use as child care centers without reimbursement. NOVA also supports an amendment to allow reimbursement over a multiyear period for those items necessary for the operation of the center, such as furniture, equipment, and so forth.

As you consider progress made by VA to provide child care, NOVA urges you to review the need for elder care also, which is another care issue critical to recruitment and retention. Although women are not the only care providers for children and elders, they assume primary responsibilities for this care in our society. In the future, elder care will join child care as an important employee benefit. Because women represent such a high percentage of the work force of hospitals, hospitals may be called upon to lead the way in providing this service.

NOVA thanks you for your interest in this important issue and for the opportunity to present this statement.

Mr. Chairman, I shall be pleased to respond to any questions.

[The prepared statement of Bette Davis appears at p. 55.]

Mr. EVANS. Thank you, Bette.

Ms. Rachal.

STATEMENT OF PAMELA A. RACHAL, RN, HEAD NURSE, WASHINGTON, D.C. VA MEDICAL CENTER, APPEARING ON BEHALF OF THE AMERICAN NURSES' ASSOCIATION, THE ASSOCIATION OF OPERATING ROOM NURSES, AND THE AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES

Ms. RACHAL. Good morning. I am Pamela Rachal, the Head Nurse at the Washington Veterans' Administration Medical Center and a member of the Maryland Nurses Association.

Mr. Chairman and members of the subcommittee, I am here today testifying on behalf of the American Nurses' Association, and the 200,000 members of its 53 constituent state and territorial associations, the 40,000 members of the Association of Operating Room Nurses, and the 68,000 members of the American Association of Critical-Care Nurses. We appreciate the opportunity to testify on child care facilities and services within the Department of Veterans Affairs and veterans hospitals.

I have submitted my written testimony for the record and would like to summarize my remarks.

According to the United States Census Bureau, in 1990 there will be 23.3 million children under age six in the United States. Well over half of these children will have parents in the paid labor force. It can be concluded, therefore, that most employees in the workplace are or will be involved with arranging care for their children.

Families utilize many different methods of child care. Hiring a sitter or a nanny to care for a child in one's own home is generally the most expensive type of care. Care in a day center or with a family provider is slightly less expensive than in one's own home and is used by 40 percent of all families for babies and by over 45 percent of all families with children ages one to two.

The child care crisis in the health care industry is very prominent, as women currently make up 80 percent of the hospital work force. A recent survey by the National Association for Health Care Recruitment found that improved benefit packages, including child care, enhanced the recruitment and retention of nurses in hospitals.

On-site child care centers for employees is the most visible child care option undertaken by hospitals. Hospital sponsored child care centers vary on matters such as hours of operation, weekend availability, availability of special programming such as sick child care, kindergarten programs, and after-school child care services. All share the common goals, however, of providing quality child care services in the workplace and enhancing the institution's position relative to nurse recruitment and retention.

As the Nation's largest employer, the U.S. Government should provide role model employer programs for their over two million employees. On-site child care facilities, as well as additional programs to meet the child care needs of Federal employees, would be a valuable as well as visible means of supporting one's employees. To date, however, the Federal Government has only recently begun to consider the child care problem in the Federal workplace.

The health care delivery system of the Department of Veterans Affairs is administered by the Veterans Health Service and Research Administration which includes 172 medical centers, 229 outpatient clinics, and 117 nursing homes. There are 35,867 RNs employed by the Department of Veterans Affairs, and there are 67,000 nursing staff which includes LPNs and nurses' aides.

Hospitals in the Department of Veterans Affairs, like other hospitals in the Nation, are experiencing an ongoing critical nursing shortage. Recruitment and retention efforts of nurses within DVA are focusing not only on salary inequities, but other benefits that will permit the hospitals to be competitive with the private sector. Nurse shortages have led to over 3,000 bed closings, reduction of surgical procedures, limitation of therapeutic services, and limited access to health care service for veterans.

Child care needs for health care personnel can differ somewhat from the child care needs of employees in other occupations. Nurses' working hours include evening and night shifts, compressed work schedules, and weekend and holiday obligations. Traditional child care centers are often not adequate to meet the special needs of nurses and their families in the DVA. It is also important to note that many child care facilities offer openings to children 18 months or older. Infant care is not only more difficult to find, but more expensive than child care for toddlers.

I think my personal experience with child care illustrates the critical need for child care in the Department of Veterans Affairs. I have worked as a nurse in the veterans hospital since 1978. As I mentioned, I am currently a head nurse at the Washington Veterans' Administration Medical Center. In April of 1988, I gave birth to my first child, a little boy. Originally, I had planned to take a 6-week leave of absence from my job at the medical center and then place him in a quality child care setting so that I could return to work.

There have also been discussions of setting up a child care facility at the medical center where I worked. My husband and I were hopeful that such an arrangement could be worked out, where I could take my young son to work with me and place him in child care. Although I searched carefully for child care arrangements, it took 6 months for me to locate quality and affordable infant care for my son. Instead of taking a 6 weeks leave of absence, I was forced to be away from my job for 6 months. I wanted to make sure that I found child care that my husband and I felt comfortable with.

The absence of a head nurse on a medical unit impacts the hospital's services. I was able to do a minimal amount of work at home during my 6-month absence, such as work out employees' schedules, but obviously, I was unable to do my job as a nurse in a health care delivery system.

My son is now over 2 years old. My husband and I have discussed the possibility of having a second child. Frankly, one of our considerations is the problem of child care. I cannot imagine how I would arrange child care, however, for a second child. If a quality child care center was available to me at the medical center, it would greatly ease the stress of parenthood. In turn, an on-site child care center would also benefit the medical center where I work in that it would enhance the recruitment and retention of nurses.

In 1988, Public Law 100-322 was established by congressional legislation to require the Veterans' Administration to establish child care programs, as appropriate, at its medical centers and facilities. Despite this law, however, to facilitate the establishment of child care centers, appropriations have not been targeted to fund the actual setting of individual child care centers in VA medical centers.

Many child care facilities in the Department of Veterans Affairs were begun by grassroots efforts of the employees. For example, 11 child care centers were developed by nonprofit employee groups in medical centers between 1979 and 1983. Planning for these centers averaged one-and-a-half years. Nine of the 11 centers accepted infants and all enrolled toddlers and preschool aged children. Three of the centers used a sliding scale based on a family's income, and three of the centers had evening hours.

Children of nursing personnel using the centers ranged from zero to 75 percent. Center directors believed nurses' erratic work schedules, including tour rotation, and the centers' high fees, affected the use of child care facilities. The extent to which nurses actually used the child care centers was related to the hours of service offered. However, all centers reported no difficulty filling the available slots.

Nurses have a special interest in the issue of child care, both as recipients of the service and as professionals who provide service and participate in the development of child care centers. In 1987, the American Nurses' Association passed a resolution entitled "Access to Child Care" that stated ANA's support for Federal legislation and regulations which would increase access to affordable, quality care for well and sick children on a 24-hour basis.

ANA believes that no one type of child care arrangement will solve the current crisis facing our Nation. ANA supports child care tax credit legislation proposals to fund comprehensive child care services and the incorporation of on-site centers in the workplace.

For the Department of Veterans Affairs to recruit and retain health care professionals, the agency must provide competitive salaries along with attractive benefit packages. Benefits must include flexible schedules, job guaranteed family leave, educational opportunities, and child care. Legislation has been discussed over the past several years that addresses many of these subjects. Although the administration has been adamant in its support of the concept of these programs, they have not endorsed specific legislative proposals on the grounds that employers will voluntarily implement family and medical leave as well as child care. Let the Federal Government begin by becoming a model employer in terms of providing programs to help families integrate their work and family responsibilities. If the Federal Government is, indeed, serious about attracting and retaining a qualified work force, providing affordable and quality child care for the employees in the Department of Veterans Affairs would be an excellent first step.

Mr. Chairman, thank you for asking me to testify here today. I would be happy to answer any questions.

[The prepared statement of Pamela A. Rachal appears at p. 60.]

Mr. EVANS. Thank you, Pamela.

Mr. Murphy.

STATEMENT OF EDWARD MURPHY, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

Mr. MURPHY. Good morning, Mr. Chairman.

The National Association of Government Employees is an affiliate of the Service Employees International Union, the fifth largest union in the AFL-CIO. NAGE represents approximately 15,000 VA employees in 15 medical centers throughout the U.S. We appreciate this opportunity to appear and testify this morning.

Child care concerns are among the most crucial workplace issues confronting the Veterans' Administration and, indeed, all of America today. Nationwide, the demand for child care is climbing rapidly. As recently as 1970, only three out of ten preschool aged children in America had mothers in the workplace. Today, it is five out of ten, and that proportion should climb still higher to seven out of ten by the year 2000. We have every reason to believe that the Veterans' Administration, which has an even higher proportion of women in the work force, has an even greater need for quality child care than the average employer. The VA's recruitment and retention problems among key female-dominated occupations makes on-site day care particularly important. The presence of a comprehensive, cost-effective child care system could function as an effective recruitment and retention tool.

Today, on-site child care exists at only 19 of the 172 existing Veterans' Administration hospitals, including three of the medical centers at which we represent employees. As a matter of policy, the Veterans' Administration supports the establishment of on-site child care centers, but in practice, the VA's "hands off" policy has hampered efforts to establish child care programs. In medical centers where associations have succeeded in establishing child care for the employees, it has been a long and arduous task, requiring years of organizing bake sales and other private fundraising efforts in order to assume the renovation and start-up costs. In many other centers, years of efforts of this nature have yielded no results.

The VA does have the legal authority to take a more active role in the development of on-site child care. In the 100th Congress, the Veterans' Benefits and Services Act of 1988 authorized new guidelines on child care services at VA facilities.

The VA has taken some small steps to comply with the provisions of the new statute. The Veterans Canteen Service established the Office of Child Care Services and has been analyzing the results of a VA Child Care Services survey conducted earlier. However, other progress has been slow. In December of 1989, the Department of Veterans Affairs published a notice in the Federal Register proposing to amend its regulations. As of today, however, no final regulations have been published. This record can and should be improved upon, and we look forward to working with the VA to achieve this goal.

The Veterans' Administration should be a national leader in providing child care services at their medical centers because of the demographics of their work force and because of their mission. If the VA had taken a more active role in supporting efforts of employee associations in years past, then it is likely that many more child care centers would exist at VAMCs across the country and its recruitment and retention problems would be less severe today.

Because we believe that the importance of child care services will continue to grow in the future, we would like to take this opportunity to make some recommendations which we believe would help to realize the promise embodied in the statute.

First, we would advocate the creation of a national labor/management committee to explore and facilitate the creation of child care facilities. With cooperation from the VA, much of the work that employee organizations have done at the local level could be applied more effectively nationwide.

Secondly, we would advocate the creation of a Veterans' Administration grant program to assist medical center associations to undertake such a project. This grant, which we would recommend be $20,000 per applicant, could be used to defray start-up costs. Our locals report that it is almost always the lack of funding, and not employee support, that has prevented on-site child care facilities from becoming a reality. A grant to each VAMC would cost only $3.4 million and would greatly facilitate the expeditious development of day care facilities throughout the VA. This $3.4 million would be a cost-effective expenditure which would result in productivity earnings many multiples greater than the expenditures.

Thirdly, we would recommend the creation of flexible spending accounts which employees could earmark to pay for child care expenditures. Flexible spending plans confer considerable tax advantages by allowing payroll deductions which are tax-free. These accounts are currently available in the private sector, but are not available in the Federal sector.

Finally, we would recommend that prior to submitting its budget for the VA and VAMCs, that each medical director be required to consult with local employee representatives on the needs of child care initiatives at the particular medical center. This requirement would establish a legislative framework for local labor/management cooperation on child care which would facilitate the expeditious development of local on-site facilities.

Once again, Mr. Chairman, we applaud you for conducting this oversight hearing, and pledge to you our support to establish quality, affordable child care services at VA medical centers across the country.

We thank you again and would be happy to answer any questions.

[The prepared statement of Edward Murphy appears at p. 72.]

Mr. EVANS. Thank you all for testifying.

In Bette's testimony we were told a nurse from Pennsylvania told NOVA, "Oh, they were talking about starting a child care center when my son was a baby, and now he is 27 years old." I just wonder, at the pace we're going, if Pamela's child is not going to be 27 years old before we get the VA to fully commit to day care. I hope we don't take that long.

Let me start with you, Pamela, and examine the local situation. Compared to what might be available to a head nurse in a private hospital, what kind of services are available to you?

Ms. RACHAL. Right now at the Washington VA there is no type of child care at all offered to the nurses or any of the other employees there. I think it would be great for nurses, and the other employees—because we have a lot of female physicians there, a lot of female employees that could also use the facilities if we were to have child care services there, but we don't right now.

Some of the local hospitals do provide child care services. I know right across the street we have the Washington Hospital Center and they have on-site services.

Mr. EVANS. Are the nurses at your hospital on rotating shifts? I assume that would be a particular problem, but that's a problem that all hospitals are facing.

Ms. RACHAL. Right. I don't think there are any hospitals where nurses do not have to rotate. We work the day shift, which is 7:30 to 4 p.m.; we work the evening shift, which is 3:30 to 12 midnight; and then the night shift, which is 12 midnight to 8 a.m.

We just need the service. It would be a great help to all of us.

Mr. EVANS. What actions, if any, has the local administrator of your hospital taken to get the ball rolling? I understand child care is being considered by OPM and the VA in the Washington area. The subcommittee has not been advised if this prospective care will include the medical center or other VA employees in the Washington area. The center might be downtown by the Central Office, I suppose.

Ms. **Rachal**. I know the VA in Washington has come up with a proposal. They have been trying, I know, for the last 5 years since I've been employed at this particular VA—because I was in Louisiana before coming here—they have been trying to get child care started. But as of today, there is nothing definite on where the site would be or how they would make the arrangements.

Mr. **Evans**. You discussed your experience, where you had to be out of work for 6 months. I assume this is not atypical. Of course, in your case, being a head nurse, you were particularly disadvantaged. Can you tell us about absenteeism and perhaps the burnout factor at your facility as a result of not having that kind of help?

Ms. **Rachal**. Well, on my unit alone, that I can speak to, I have nursing assistants who are there that have children between the ages of 6 months and up to 6 years old. This particular individual calls in at least twice a month because her babysitter is either sick or something and can't provide care for her children at that time. I also have RN's whose ages are between 25 and 35 who are interested in starting their families, but because child care is such a problem in this area, they keep putting it off because they just don't know what they would be able to do with their children. A quality care center at the VA would definitely help.

Mr. **Evans**. Ed, according to your statement, employees at many VA medical centers have tried for years, without success, to establish child care centers. Would you be able to identify these facilities for the record?

Mr. **Murphy**. Yes. I think in our testimony we mentioned with specificity one in Martinsburg, WV where they've been trying to establish it for about 10 years and have not been able to do so. That immediately springs to mind——others we will try and identify for the record.

Mr. **Evans**. If you could provide it for the record, we would ask you to do so.

(Subsequently, Mr. Murphy provided the following information:)

Our written testimony mentions Martinsburg, WV and Manchester, NH. In addition, our testimony describes the years of effort involved at Brockton, MA and West Roxbury, MA to establish such services.

Mr. **Evans**. Let me very briefly ask each one of you, if you were going to grade the VA on the availability, cost and quality of child care services within the VA as a whole, what grade would you assign them?

Ms. **Davis**. So far it has failed, if there's 16 to 19 out of 172 facilities.

Mr. **Evans**. So you give them an "F"?

Ms. **Davis**. Yes.

Mr. **Evans**. Pam?

Ms. **Rachal**. I would have to give them an "F", too. I mean, they were talking about it five years ago and we still don't have a center.

Mr. **Murphy**. Mr. Chairman, I'm not going to disagree with those numbers.

Mr. **Evans**. No grade inflation here.

We appreciate your testimony. Let me now recognize Congressman Kennedy.

Mr. Kennedy. First of all, let me thank you, Lane, for having these hearings. Given the importance of child care in our country, and the fact that the Congress is trying to enact legislation, I am surprised to see how poorly we're doing at the VA these days. Obviously, with all the problems of recruitment and retention, I think this becomes a critical issue, as you pointed out.

I would like to get a better handle on something—and maybe Mr. Murphy can tell us. Is there supposed to be a stated VA policy with regard to child care at the moment?

Mr. Murphy. Yes, there is, Congressman Kennedy. There was a statute that was passed in the 100th Congress, Public Law 100-322, which permitted the VA to take certain other initiatives. The VA has, it is my understanding, put out some sort of a policy statement, which is very broad, in supporting child care, but has not implemented the regulations that were required by that public law. So while there's a broad policy statement, it's my understanding, in terms of the nitty-gritty regulations, they have not as yet issued those, despite a 2-year hiatus.

Mr. Kennedy. I think both Miss Rachal and Miss Davis gave important testimony with regard to what the need is out there. Mr. Murphy, what do you think the committee ought to be doing in order to try to get some regulations implemented here?

Mr. Murphy. Well, certainly I think this oversight hearing is an excellent step towards putting some pressure on the VA to implement the law that the Congress passed some two years ago. I think that's an excellent step.

Mr. Kennedy. Miss Davis, how many hospitals actually have child care services at the moment? Did you say 16 out of 172?

Ms. Davis. Well, I had been given the figure 16, and they have the figure at 19, so there's not a hard figure.

Mr. Kennedy. Well, let's call it 17, all right?

Ms. Davis. It's still a low figure.

Mr. Kennedy. The reality is that we've had plenty of hearings in this room, and I appreciate your faith in oversight hearings, Mr. Murphy. I'm not completely convinced that simply because we have an oversight hearing, that that means the VA is all of a sudden going to implement regulations that stipulate that child care and medical leave services ought to be provided during off-shift hours——the shifts that go into the evening or night or whatever the needs are. I'm not sure we're going to be getting to that simply because of this hearing. I think, if we're going to actually implement a policy here, we should hear from you, Mr. Murphy, as to what it is that you specifically need in order to get a policy implemented that provides these services.

Mr. Murphy. We have some additional recommendations, Congressman, in our testimony that I think would be helpful. One, we thought the creation of a national labor/management panel on this question in the VA would be helpful in terms of getting the information as to what's succeeding out there.

As you heard on the panel here, we don't even know with certainly—and I don't believe the VA necessarily knows with certainty—how many child care centers there are out there. So if we were able to get this information flowing a little bit, and labor/management cooperation, that would be one thing that we think would be helpful.

Secondly, we think there should be a requirement, perhaps as part of the budget process, that the VA, at the local level, be required on a yearly basis to consult with the local labor folks——

Mr. KENNEDY. Maybe, Mr. Murphy, in trying to sort of talk it through here, it would seem to me that there are models for child care services that have taken place both in the private sector as well as at other Government agencies. It would seem to me there is probably a fair amount of information that exists out there for free that could tell us whether or not what we need is space. If we need space, I know that in certain hospitals they are short of space and in other hospitals there is extra space. Then the question becomes the staffing needs, and then the financing of the services.

For instance, we just got child care services put in the Tip O'Neill Building up in Boston just a few months ago. The reality is that, given the mix is of individuals who need the service, you can either have some of the wealthier people subsidize the needs of the poor, or if our child care bill gets passed by the Congress, there will be funds available and people will be able to get a break and be able to afford child care more readily.

It would seem to me that it would make some sense for Mr. Murphy and maybe the three of you to get together and form a little advisory committee that could tell us whether or not you need some help with legislation. I don't think this would necessarily cost the VA a lot of money, but maybe the Chairman and I might be willing to try to help. I know Miss Long was talking to me about how strong her interest is in this. I think you would probably get a lot of support from us, if you want to work with us, to try to develop what those regulations ought to be really look at. But somebody is going to have to do some staff work to be able to inform us what the specific needs of child care in the VA are. I think you've identified the problem pretty clearly. I'm not sure that we're really landed on any kind of solution to it. I think there probably are solutions out there that don't necessarily cost a great deal of money.

I would be happy to work with you on it, but I think getting some cross-agency panel would be just a lot of time and a lot of talk and a lot of paper. Let's just get down to implementing a program.

Mr. MURPHY. Certainly, Congressman, we would love to work with you, and I think it's an excellent suggestion. I think the labor groups will talk and try and come up with a series of suggestions to get this off the dime a little bit.

Mr. KENNEDY. I appreciate that.

Thank you very much, Mr. Chairman.

Mr. EVANS. Thank you.

Mr. KENNEDY. It was good testimony. Thank you.

Mr. EVANS. Minority counsel?

Mr. KINGSTON SMITH. No questions, Mr. Chairman.

Mr. EVANS. We want to thank all you front line people for testifying today. It makes our hearing very interesting and your information is very useful to us. Thank you.

The members of our final panel of witnesses today represent the Department of Veterans Affairs and the General Services Administration. C. Dale DuVall is Acting Director of the Veterans Canteen Service. He is accompanied by Dr. Habibion, Director of Child Care Services, DVA Veterans Canteen Service, and Nora Egan, Associate Director for Personnel Policy, Office of Personnel and Labor Relations of the VA Central Office. She also serves as Chairperson of the VA Working Group on Child Care. She was invited to testify today in her capacity as the Working Group Chairperson. Allaire Williams is Director of the Office of Child Care and Development Programs for the GSA.

Mr. DuVall, we will begin with you. Your entire statement will be included in the record, if you would care to summarize.

STATEMENT OF C. DALE DUVALL, ACTING DIRECTOR, VETERANS CANTEEN SERVICE, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY MARCELLE HABIBION, DIRECTOR, CHILD CARE SERVICES, DVA VETERANS CANTEEN SERVICE; NORA EGAN, ASSOCIATE DIRECTOR FOR PERSONNEL POLICY, DVACO OFFICE OF PERSONNEL AND LABOR RELATIONS, AND CHAIRPERSON, VA WORKING GROUP ON CHILD CARE; AND RALPH IBSON, ESQ., DVA OFFICE OF GENERAL COUNSEL

Mr. DuVall. Thank you, Mr. Chairman. I would appreciate having my entire statement placed in the record and, with that, I will just summarize as briefly as I can.

Child care for VA staff retention and improved employee relations goes back to 1977. A number of facilities throughout the country are, for the most part, operated by independent VA employee groups to whom VA has leased space.

By 1988, increasing numbers of inquiries about child care services prompted VA to focus on the issue. VA's Office of Personnel and Labor Relations was asked at that time to give centralized direction to VA's child care effort and to act as liaison with other Federal agencies. A VA Working Group on Child Care was formed to develop VA policy and learn what efforts were underway. The working group undertook a major survey on existing and planned child care centers and to learn of any child care referral service that was already in place.

In 1988, Congress also enacted Public Law 100–322. That law directed Veterans Canteen Service to provide child care services in VA facilities, where practicable, and within available space. The law calls for parent participation in setting and implementing policy for each center.

Although we have established our first child care center under Public Law 100–322 in Danville, IL, limitations in the legislation have made it difficult. For example, child care centers must be operated in surplus space, which in many instances does not exist. Although a hospital may have substantial ground on which to build, the law does not authorize construction of new space. The law also severely restricts joint ventures involving outside partnerships, including other Federal entities.

The law precludes use of the medical care account without reimbursement for converting space into a child care center. It precludes most start-up costs, thereby placing a potential burden and an unplanned, unanticipated burden at that, upon the Canteen Service's revolving fund. The Canteen revolving fund simply does not contain sufficient moneys to pay for many centers.

Even where medical centers would like to help fund new child care center starts, they are precluded from doing so under Public Law 100–322. To rectify this problem, we have proposed legislation this year to permit medical centers to use their funds for establishing needed child care centers, which the Canteen Service would then operate. This provision has been introduced in the Senate as section 6 of S. 2456.

As you are aware, some government-wide authority exists to establish child care centers. This authority, referred to as the GSA authority, or the Trible Amendment, permits departments to allot available space for the creation and operation of child care centers. GSA recently proposed regulations to implement this law, and we are presently studying whether it may also be possible for us to use this authority as an alternative to supplement Public Law 100–322. The GSA authority permits two or more departments or agencies to jointly operate a center.

I would like to close by pointing to yet another new VA proposal which could promote the creation of child care centers by fostering better and fuller use of VA facilities and adjoining property. The proposal would authorize the enhanced use of VA property. It has been introduced in the Senate as S. 2532. This bill would authorize the Secretary to enter long-term agreements with public or private entities to permit enhanced use of VA property to benefit both parties.

For example, a private entity might enter into an agreement with VA to build a child care center, or to convert existing space into a child care center. Such enhanced use could be particularly helpful in fostering the provision of child care. Under enhanced use, a group child day care provider might convert existing space or construct a new child care center. The agreement might, for example, provide that 50 percent of the places in the center be reserved for VA employees and/or that they will receive a discount on fees, making the service more affordable to VA employees who are the parents of small children.

Our proposed legislation is a well thought—out proposal with protections built in to assure appropriate use and to assure that the Veterans' Affairs Committees are consulted before VA enters into any agreement.

This concludes my testimony. My colleagues and I would be pleased to respond to your inquiries.

[The prepared statement of C. Dale DuVall appears at p. 84.]

Mr. EVANS. Thank you.

Miss Williams.

STATEMENT OF ALLAIRE D. WILLIAMS, DIRECTOR, OFFICE OF CHILD CARE AND DEVELOPMENT PROGRAMS, GENERAL SERVICES ADMINISTRATION; ACCOMPANIED BY HARMON EGGERS, GSA OFFICE OF GENERAL COUNSEL

Ms. WILLIAMS. I have submitted my testimony for the record and I would be glad to answer any questions you might have.

I would like to comment on minority counsel's suggestion, or proposed legislation, that we seek some private sector solutions. The Department of Defense has done that recently. They have entered into an agreement with a private sector vendor and established a child care center at the Pentagon. That's something you might want to look into. It is certainly a viable alternative to building in sometimes substandard space.

Also, this week GSA is having a conference on child care. If any of your staff members would like to find out exactly how we do it, we would welcome their presence.

I would respond to any questions you might have about my testimony.

[The prepared statement of Allaire Williams appears at p. 93.]

Mr. EVANS. Thank you. We appreciate that invitation. I believe some of our staff members are aware of the conference.

Miss Egan, do you have any opening statement?

Ms. EGAN. No, sir, I don't.

Mr. EVANS. I would like to start with some questions directed to you.

What are the goals and objectives of the VA Working Group on Child Care, and please be as specific as you can in describing those goals.

Ms. EGAN. The Working Group on Child Care initially in its formation, preceded the enactment of Public Law 100-322. At that time, what we had anticipated doing was developing a sharing/clearinghouse of information, and updating VA policy—and by the way, VA policy currently does contain positive support, active support, of child care needs. It's not as extensive as the circular that was issued. But we wanted to enhance the policy and because we were aware of the needs of employees, we wanted to eventually develop, in conjunction with GSA, a work book that we could send to all facilities, so that everybody wouldn't have to reinvent the wheel.

However, with the enactment of Public Law 100-322, that gave the lead in VA to the Veterans Canteen Service. But knowing that there was going to be some time lag before the Canteen could develop and publish the regulations, Canteen became a part of the Child Care Working Group and we determined to go ahead. The Secretary was very interested in ensuring that employees understood his support for the child care needs of employees, so we went ahead and got something out: the policy statement from which you quoted, that would provide people with the names of people in Central Office whom they could contact if they had technical questions, and most importantly, a survey to obtain information from employees so that we would have a better grasp of what was going on in the field and that would serve as a planning document for Canteen as they developed their regulations.

So at this point, I think in the future the need for the work group may be in question, depending on the scope of the Canteen's program. But we certainly anticipate continuing to exist as an advisory service for Canteen, as they may need.

Mr. EVANS. Are you satisfied as a group with the current availability of on-site day care?

Ms. EGAN. No, sir.

Mr. EVANS. What would you grade the VA at this point?

Ms. EGAN. I don't know that I can give a grade to it, which would imply there have been no efforts. That would be a misperception. There have been a lot of efforts put into trying to get the Canteen program, established and the regulations published. Since that is a somewhat time-consuming process, it has not moved as fast as any of us would like. But I think to put a grade on it would really be to the detriment of the people who have worked very hard to try and get this program established and some policy guidance out there.

Mr. EVANS. Mr. DuVall, you've heard three witnesses say today there's been little progress and, in fact, grade the VA with an "F", each one of them, in the categories of sufficiency, quality and availability. Would you agree or disagree with those statements?

Mr. DUVALL. I think I would share Miss Egan's feeling that it's difficult to put a grade, as such, because, as one of the earlier witnesses noted, there is a great deal of planning and a great deal of input that goes into getting a program like this set up. We have made much progress and significant strides in getting to the position where we are ready to come out with regulations, and there is an expectation that those regulations are going to open up a lot of opportunity.

One point that I think is important for us not to mislead this committee with is that those regulations are going to be a reflection of the law and we can't do things in facilities where there is no existing space. We can't do things where the financial resources are not available or where the numbers of potential participants in the program doesn't justify the break-even point because we're not in a position of being able to subsidize under the existing law. So the regulations will come out, but I don't believe they will be a cure-all for the problem.

We have some inherent concerns that we've addressed in our statement that does address the efforts that we're making in order to accelerate the provision of child care benefits to the employees of VA. That's what I hope we can impress upon you. That's the area where we're really concerned here.

Mr. EVANS. First of all, then, can you tell me when the final regulations will be published?

Mr. DUVALL. The regulations arrived on my desk last week. I did not take the time to sit down and go into a study. In the first place, it should be recognized that I have been Acting Director of VCS for about 2 weeks. We're in the process of reorganizing that activity. I felt that, with this hearing coming up, I wanted to have the knowledge and benefit of the feeling of this committee before I went into an intensive review of those regulations. But they have been published in draft form, comments have been received, and many of the witnesses here today, or their institutions, have commented on them. So they are ready for final review.

Mr. EVANS. In trying to ascertain how the committee feels, have you gotten a good understanding this morning about how we feel?

Mr. DUVALL. I think you share our sense of urgency that this is a very important program, that it does need to have high level visibility and momentum placed behind it.

Mr. EVANS. One of the frustrations we have, the same many of the employee representatives have, is that we don't even know how many VA facilities or regional offices have day care available. How many at this time do and don't have child care in terms of the medical facilities and regional offices themselves.

Mr. DUVALL. At the present time——

Mr. EVANS. Let me rephrase that. These are operational day care centers at this point.

Mr. DUVALL. Operating day care centers at this time, our records indicate there are 35 centers, 18 that are operating under the VA lease to child care providers, 13 that are operating under the GSA authority, the one we have opened under 100-322, and three others that would be classified as referral centers because they're participating in——

Mr. EVANS. Can you tell me how many at medical centers and how many that provide services to regional office personnel?

Mr. DUVALL. Twenty-one of those 35 are at medical centers, 12 are regional offices, two are data processing centers, and one is at an outpatient clinic.

Mr. EVANS. How many do you believe by the end of next fiscal year would we have in the system as a whole?

Mr. DUVALL. I would have to defer perhaps to Dr. Habibion on that.

Dr. HABIBION. There are 17 centers which are expecting to open within the next 18 months. Some of those are very close to opening and some of those openings are still a little further out.

Mr. DUVALL. Just to follow up on that remark, if I may, Mr. Chairman, if we get this enhanced use legislation, all of us here on this panel believe that additional momentum will be generated as a result of that because, at that point, we can address more universally and have better tools to universally apply the concepts.

If the employees who have young children start seeing other medical centers coming up with successful operations that are not funded by cake and pie sales, we would anticipate that that would be the green light that they're looking for and the light at the end of the tunnel, if I may, that will raise and accelerate interest and concern and the local support to get them moving at that level.

Mr. EVANS. But even without the passage of that legislation, which hasn't occurred, is there anything such as a 5-year plan, or do you have any plans by the end of the next five fiscal years to have a major increase in day care throughout the system?

Mr. DUVALL. We're dedicated to continue to work with the law that we have, until we get a new law. Whether that will result in more successful new openings than Marcelle Habibion has referred to or not I couldn't tell you, because some of the projects that do come forward just flat don't work. There either is not existing space there or the financing and the numbers don't work out in order to allow us to move forward, at least under 100-322. If we're confronted with that, then we go back and provide counseling and assistance to try to help put them in with another group or something and use the knowledge that we've generated at the national level to help facilitate their finding some other means of achieving their objective.

Mr. EVANS. There was a child care survey issued by the VA in September 1989. Have you received the results and analyzed those results at this time?

Ms. EGAN. We did receive the results back. I have, and will make available for the record, an executive summary of the results. It's not as definitive and as accurate a picture as we would have hoped. Only 182 facilities responded, so we don't have responses from all the facilities, and not all the facilities answered all the questions. (See p. 89.)

Mr. EVANS. Would that appear to you to be a lack of interest by the local medical director?

Ms. EGAN. No.

Mr. EVANS. Why would they not respond to a survey that you issued?

Ms. EGAN. It could have been any number of reasons. I mean, I don't know of specific reasons why facilities did not respond. But actually, out of 270-some stations, not all of which—you know, some of the smaller outpatient clinics wouldn't respond because they might be taken care of in other areas. I really didn't think 182 was a bad response, but I would have hoped for a 100 percent response.

But as to the reasons why some of them didn't respond, I don't know.

Mr. EVANS. Could you highlight a few of the results for us today?

Ms. EGAN. Certainly. I think Mr. DuVall covered some of the information.

Most of the day care centers that service our regional offices, of course, are in Federal buildings, so they are in space provided by GSA. At the medical centers, the ones that exist—with the exception of the one in Danville which was set up under Canteen—those were set up under the existing title 38 leasing authorities.

Forty-seven facilities responded to the survey by saying they had planned to establish a child care center based on the level of interest obtained from a needs assessment survey that they conducted of their employees. Forty-three of those 47 were medical centers, four were regional offices.

It was interesting that 38 facilities responded that there had been little or no interest exhibited by employees in having any kind of on-site day care. However, eight of those facilities do provide resource and referral services to employees and prospective employees with regard to what child care services are available in the community.

Sixty-six facilities indicated that they had done no survey of employees to determine what the interest or need might be in child care.

Mr. EVANS. Could you describe the potential impact of establishing child care centers on the financial condition of the Veterans

Canteen Service, and if the Canteen Service incurs costs in establishing such centers, how would those costs be recovered?

Mr. **DuVall**. Well, that's a concern to us. Of the ones we have looked at, I am told that the cost of establishing and outfitting the centers ranges from, I believe, $50,000 to $400,000. Is that right, Dr. Habibion?

Dr. **Habibion**. For the renovation of the space, and then approximately $30,000 for equipping and furnishing.

Mr. **DuVall**. If you take that number and make that an assessment against the Veterans Canteen Service's reserve resources, then the question that we would have to resolve is under what kind of reimbursement method would we recover the advanced amounts? That probably has not been the highest level of concern to us at this point in time. Our concern has been finding and identifying stations that meet the other criteria of the law and then we're kind of operating, at this point anyway, on a certain amount of blind faith that if we can get a viable center up and working, then we will have to churn it into some kind of a basis that will allow us to recover our investment in it.

Did you have anything to add to that, Marcelle?

Dr. **Habibion**. No, I don't think so.

I think our real concern about the reimbursement is that under the public law we are required to cover operating costs, with fees from parents. Those are the very people for whom we're trying to relieve the burden of having high-cost child care.

Mr. **Evans**. Some witnesses mentioned the need to provide, particularly lower income employees, financial assistance. Have you examined that issue at this point?

Dr. **Habibion**. We certainly have because we, too, would like to come up with a solution to that very thorny problem.

The sliding scale, which was mentioned by one of the witnesses this morning, is something that at first blush looks very attractive. But again, with the constraint of having to have the parent fees cover the operating costs, it would mean that, indeed, other parents would be picking up the costs of or would be subsidizing, if you will, the care of not only their own children, but the children of other people.

One of the things we have looked towards as a successful strategy is trying to use scholarships making scholarships available to the lower—salaried, lower—waged employees. At the present moment, the only avenue that is available for us for scholarship funds is through bake sales and other kinds of fundraising activities at the local level.

Mr. **Evans**. Do you believe child care centers, either run by the Veterans Canteen Service or on a lease basis, should be subject to local and State regulations as far as safety and other qualifications?

Dr. **Habibion**. Indeed, I think that makes the whole operation better. Because what happens is that the State licensing people are physically present at the location and can monitor on a more frequent basis. They also are very much aware of what the local regulations require in terms of health and safety codes; also they have access to police records at that local level and those kinds of things which are normally provided by the State or the local licensing representative. Those would be available to us if, indeed, we had that licensing requirement.

Mr. DuVall. That requirement, Mr. Chairman, affords VA and the Veterans Canteen Service a level of comfort that oversight is taking place at the most economic level that we can get because the State is providing those standards and oversight. If they didn't do it, then it would be an additional burden making it that much more difficult to open more centers.

Mr. Evans. Frank DeGeorge, who represents the PVA, indicated that eligibility for care in the VA day care centers should be expanded to include more of a ratio of non-VA employees. Would you have a position on that and would you think it would be advantageous or disadvantageous?

Mr. DuVall. We would support that.

If the day care centers had more flexibility in eligibility, if we had the ability to build larger pools of participation within a day care center, it would help us to provide a higher level of professional care in the centers, and it would allow us to access additional people who would be providers. The private sector child care providing community would be tweaked by that increased level of interest. It would allow more flexibility in dealing not just with other affiliated institutions, but other branches of the Government, and perhaps even private care children that could be brought to the site.

If that were available to us, then we could do a more professional job of providing the services to the children, and we could relieve a lot of parents who are burdened and overtaxed by helping to run and manage and fund the basic provision of care at the child care center level. Parent resources and energy could then be freed to participate in a more proper way in raising the additional levels of money, looking for grant assistance at the local level and that sort of thing, which would take the burden off of VA employees. If the VA parents group focused on raising the scholarship funds rather than on operating the day care center, we would be utilizing their energies much more effectively. We are also not dependent, in that case, upon a group of parents who are energized today because they have children in that age group. Two or three years from now those three or four real thought leaders that drove this parent support group will graduate out of the class. Then we're faced with a lack of leadership from that group. We will be less dependent upon those people staying there if we can professionalize this at a higher level.

Mr. Evans. The Danville center has been open since September of 1989, is that correct?

Dr. Habibion. January of 1990.

Mr. Evans. Have we had any lessons learned from that facility—I know it's a pilot program—or is it too early to assess?

Dr. Habibion. Well, we're still learning. One of the things that makes it an ideal pilot is that it has a very small eligible population from which to draw students. It has a fairly low prevailing wage rate. So it makes for a very good study of what those unique problems are in trying to have the VA run a center for VA children under those circumstances.

Mr. Evans. I have a few questions for GSA, but let me yield at this time to minority counsel for any questions he may have.

Mr. Kingston Smith. Thank you, Mr. Chairman. If I may, I would like to start out with a question to GSA.

Are there Federal guidelines and standards for child care centers that are sponsored or operated by the Federal Government, and if not, are they needed?

Ms. Williams. You mean guidelines for health and safety?

Mr. Kingston Smith. Yes, ma'am.

Ms. Williams. Yes. As a matter of fact, the book that we are presenting at our conference will include our health and safety standards. We make regular inspections of our centers. Our centers are cleaned at a clinical level. The answer is yes, there are guidelines.

I would like to comment on the enrollment. We preference Federal employees. We do not restrict our centers to strictly Federal enrollment because that would be difficult for center management. We also have contract employees in our centers.

Mr. Evans. Would you please provide a copy of your guidelines to the committee?

Ms. Williams. Certainly. We will provide the book that we are sending out at the conference, if you would like to see that. It gives you a good overall view of what we recommend. We recommend local licensing, for our centers.

Oftentimes Federal guidelines are at a higher standard than many States and locals. While GSA recommends local licensing, our centers are often above local requirements.

Mr. Kingston Smith. Thank you.

[The submitted materials begin on p. 121.]

Mr. Kingston Smith. Mr. DuVall, would you or one of the other VA representatives provide a broad outline of how the enhanced use concept might apply to the provision of day care for children of VA employees?

Mr. DuVall. The method of the enhanced use concept would immediately benefit our ability to put together a more professionally managed and operated child care center. Its primary benefit flows from the fact that it will provide the Secretary the ability to outlease property on a long-term basis. That will allow the VA to talk to child care providers and ask them to put up more than just staff to operate a center. We can go in and negotiate arrangements with child care providers on a long-term basis where they may even construct the facility, or they may rehab and remodel existing surplus space in a center; they would convert at their expense and recover their investment over a long-term period of time.

Presently, we only have 3-year outleasing authority. Enhanced use authority would give us as long as 35—year outleasing authority. I'm not suggesting that it would take 35 years to recover an investment in a child care center but that enhanced use legislation addresses all of VA's asset management opportunities.

Mr. Kingston Smith. If a private child care provider constructed a facility on Government property, who would own the structure itself?

Mr. DuVall. During the period of the lease, the child care provider, depending on the exact nature of the agreement, could own the asset located on the leased Federal property. The Federal Government would retain ownership of the land and at the expiration of the lease, the improvement could revert to the Government or the assetholder could be required to remove his property from Federal property.

Those are technicalities that would be incorporated into the lease. I have Ralph Ibson, who I don't believe was identified on the record. He's from the our General Counsel's staff. If I misstated my response on leaseholds, because I'm not an attorney, he could correct me.

Mr. IBSON. I think that's accurate. But I don't pretend to be an expert on the enhanced use concept, so I'll be glad to correct that for the record if there is a need for it.

Mr. KINGSTON SMITH. Thank you.

One last question. It is my understanding, under the enhanced use concept, that one of the things which would be looked at would be to have the private provider build a facility or provide a service with excess capacity so other non-VA, but Federal employees could utilize the child care centers, or even those employed outside the Government could utilize such services. Is that part of the concept?

Mr. DUVALL. If the particular circumstances associated with that child care development opportunity afforded a child care provider an opportunity to provide services to others, and they made their own survey of the market potential and elected to do that, then they could do that. There has to be benefit to the VA that flows from the establishment of such an activity. They would be using Federal property for a private/public venture. The value of the use of that Federal property would be realized in the form of reduced costs to the VA participants. That way, we're getting a benefit from the use of our property. In many instances, we're getting nothing out of the use of those properties today.

Mr. KINGSTON SMITH. Thank you very much, Mr. DuVall.

Thank you, Mr. Chairman.

Mr. EVANS. Miss Williams, let me ask a few questions about how the system works so that we fully understand it.

Is space in GSA-controlled buildings provided without cost for use as child care centers?

Ms. WILLIAMS. It is charged back to the agencies.

Mr. EVANS. On a proportionate basis, let's say, of the numbers of employees or the numbers of slots?

Ms. WILLIAMS. It's common use space that an agency is paying for currently.

Mr. EVANS. But in the case of multiagency use, OPM, let's say——

Ms. WILLIAMS. Then it's apportioned.

Mr. EVANS. It's apportioned. Then who is responsible for renovation and other construction costs?

Ms. WILLIAMS. GSA will design and reconstruct the space, and then again it is charged back to the agency.

Mr. EVANS. Amortized over a period of years of the lease or——

Ms. WILLIAMS. Mr. Chairman, I'm not sure exactly how that part of it works. I can get that for you.

Mr. EVANS. Yes, if you would, we would appreciate it.

Then utilities and phone expenses are paid on a proportionate basis?

Ms. **Williams**. By whoever the sponsoring agency might be.

Mr. **Evans**. For furniture and office equipment, I understand we've used some surplus properties, at least at the medical centers in furnishing some of the offices. Does that work the same in GSA space?

Ms. **Williams**. Generally, yes. We suggest that the agencies provide and maintain the larger pieces of equipment, so that if a vendor leaves a center, they don't have leave with all of the equipment. It's the larger pieces of equipment, not the consumables, but the desks, chairs, refrigerator, the xerox machine, etc. that should remain in the center.

Mr. **Evans**. Do you know how many Federal employees currently are using on-site child care?

Ms. **Williams**. We have 2,300. We have 4,250 spaces, about 3,200 in use, and 2,300 of those are ocuppied by children of Federal employees. Those non-Federal employees could be contract employees or private sector. The 4,300, were in a growth state. We just opened our 66th center in Newark, NJ last week. So we're not up to our full licensed capacity.

Mr. **Evans**. Do you have 5-year plans, or 1-year plans? Have you set goals in terms of the number of Federal employees who are served by such and such a time?

Ms. **Williams**. Yes. We have about 50 centers being planned right now. They are at various stages of development and that number can change daily. We now have a GAO report on child care which does suggest a good number base. We do suggest that you look at numbers when you're establishing a child care center. They suggest anywhere from 60 to 120 for a developmental, on-site child care center. That is a very good workable number, because you have to have that management base if you want to keep costs low.

We are also currently trying to network our centers so that they can become a more viable force in the marketplace when it comes to health and benefit packages for center employees. We find that retention of employees in our centers is becoming a difficult problem, and in order to do that, we're going to have to cut costs in areas where we can network centers so they can become viable in the marketplace.

Mr. **Evans**. For a particular child care center, do you know what percent enrollment is necessary for it to be viable?

Ms. **Williams**. Well, Mr. Chairman, I would suggest that if you had a center for 60, you would not have infants there. Because we do want quality child care and quality environments for children. We also want to retain staff.

We have just had a staffing survey come out, if you are aware of it, and child care workers are among the lowest paid employees in the Nation. We would like to ensure that in our Government environments that these children are exposed to a quality environment. So in that sense, I would say 60 children is a minimum for providing infant care, some infant care. A hundred-and-twenty is what you're seeing basically in the private sector for a good, viable child care center.

Some of our centers are starting to look at going into dependent care issues. A wide variety of intergenerational needs are becoming, as you know, an interesting area of concern. Also, we see in our Federal community here in Washington a need for summer programs for older children. So the market is changing, so we have to be constantly aware of that, and we are in that kind of growth stage right now. We are looking at how we can better strengthen our system.

Mr. EVANS. Can you describe the GSA's communication with the Department of Veterans Affairs on child care issues. What that's been like, how strong it is? Does it need to be improved?

Ms. WILLIAMS. Where they are involved with us in setting up centers, they've been very cooperative. I have worked with a number of the Veterans' Affairs staff on general child care issues.

I don't really become involved in—Their sites are somewhat unique from ours. They have land and, you know, we're usually in Federal buildings. Where we have been involved with them, they have cooperated with us in working on child care issues.

Mr. EVANS. Do you have some idea of how many VA employees will be attending the conference which begins on Friday?

Ms. WILLIAMS. I should have brought that up here. Yes, they are registered. I don't know how many.

Ms. EGAN. I know there are at least four from Central Office, and I imagine there may be some participation from some of the local medical centers. But they didn't have to come through us to register. But I know there will be a number of people from the headquarters office there.

Ms. WILLIAMS. We'll look through our list and submit that for you, if you would like.

(See. p. 173.)

Mr. EVANS. And you would encourage VA employees, if they're just hearing about this, to attend if they're interested?

Ms. WILLIAMS. Yes.

Mr. EVANS. Which Federal agencies have established and operated cafeteria plans which include dependent care assistance and meet the provisions of sections 125 and 129 of the Internal Revenue Code? In other words, which Federal agency employees are able to exclude gross income to pay for child care expenses with tax-free dollars?

Ms. WILLIAMS. That is basically an OPM question. We have not really been involved with that issue. I don't really know the answer to that question. In terms of how that affects GSA, it's not something we have surveyed for to find out.

Mr. EVANS. Minority counsel?

Mr. KINGSTON SMITH. Mr. Chairman, we may have some additional questions for the record.

Mr. EVANS. Yes. Many of the members may have additional questions for the record which we would submit to you, and those questions and your answers to them would be made part of the record.

Ms. WILLIAMS. The question about rent and lease, if you would like an answer to that, we have Mr. Eggers here.

Mr. EVANS. Very good.

Mr. EGGERS. Mr. Chairman, my name is Harmon Eggers, and I'm with the GSA Office of General Counsel.

Your question as it pertains to rent, GSA is required, under the Federal Property Act, to charge agencies and charge anyone provided space what was formerly called SLUC, Standard Level User Charges. So in the face of joint use space for a child care center, GSA would charge the respective sponsoring agencies their fair share, so to speak, their allocated share of rent. That would be on an annual basis.

At the same time, the space would be allotted to a provider of child care services under 40 U.S. Code 490b, sometimes referred to as the Trible Amendment. Provided the conditions in 40 U.S. Code 490b are met, the space is provided to the actual provider of child care services without charge for rent or services. The purpose of that statute, as I see it, is to encourage more widespread availability of child care centers by reducing the actual cost to the Federal parent and, in that fashion, the providers do not have to pay rent and the provider also receives services without charge. So this ultimately results in a benefit to all Federal employees who utilize the child care centers.

Mr. Evans. Thank you for clarifying that.

We want to thank the panel for testifying. If I could reiterate the feelings of the subcommittee, this is an important issue and one that we intend to keep a very close eye on, and to continue to follow up.

We look with keen interest toward the release of the regulations. We want VA not to be just a follower in this area, but a leader. We think that's important for retaining highly qualified people and to be a leader in medical care. The veterans' organizations and the people that represent the employees have felt we're not doing the job that we should be doing. We want to be in the leadership, in the driver's seat, not in the back seat. I appreciate your time and energy and we'll be keeping a close eye on this issue. Thank you all very much.

We are concluding the hearing a bit early and Congressman Stump has not been able to join us, but his entire statement will be made part of the record.

The hearing is concluded.

[Whereupon, at 11 a.m., the subcommittee adjourned.]

APPENDIX

Remarks By
Hon. Bob Stump
Before the
Subcommittee On Oversight and Investigations
July 11, 1990

Thank you, Mr. Chairman.

We are all aware of the continuing problems of recruitment and retention of health care workers in the VA. Child care services offer a partial solution to this problem, and should improve the productivity of current VA employees.

To date, the DVA is a party to approximately 34 child care centers. As you have noted, Mr. Chairman, this important and vital service did not come under the direct responsibility of the Veterans Canteen Service until the enactment of Public Law 100-322, in May of 1988. We are here this morning to see how well that particular program is progressing.

In this connection, Chairman Montgomery and I recently introduced a bill at the request of the Department of Veterans Affairs, H.R. 5164, which would permit the DVA to enter into broader use of its facilities in agreement with the private sector. This could effectively increase the space available for day care centers, as well as other DVA operations.

Similar authority is already available to other land-holding departments and agencies. The Department of Defense has provided day care services for more than 10 years. We can do no less for the employees of the Department serving our Nation's veterans.

I look forward to hearing the testimony of our witnesses this morning, and thank all of you for your participation. It is a particular pleasure to welcome Dale Duvall to our proceedings. I have known him for many years. He has been a great public servant and did an outstanding job as Commissioner of the Bureau of Land Management which has a tremendous influence on many Western states and especially my home State of Arizona.

Thank you, Mr. Chairman.

PVA
PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT OF FRANK DEGEORCE
ASSOCIATE LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
REGARDING THE
DEPARTMENT OF VETERANS AFFAIRS
CHILD CARE CENTERS
JULY 11, 1990

Mr. Chairman, and Members of the Subcommittee, Paralyzed Veterans of America (PVA) appreciates this opportunity to present our views regarding the Department of Veterans Affairs (DVA) child care centers and employee child care services.

In the past year we have observed the priorities of our Nation shift from a broad focus encompassing international issues to a more narrowed focus centered on domestic concerns. The Nation's current domestic concerns encompass the future of the environment, the future of the family as well as the future of the American work force.

The Wall Street Journal reports that even as layoffs continue, demographic changes have companies expecting shortages of qualified recruits. The attention of company executives is shifting to recruiting and retaining the most qualified employees. VA, as the second largest employer in the federal government, must compete as well for qualified employees within the context of this same changing work force.

Mr. Chairman, this hearing to examine the status of DVA child care centers and employee child care services is timely and appropriate. As the VA continues to face a shortage of personnel in the critical area of health care, as more women continue to enter the work force, and as more families depend on two incomes, VA must remain flexible to meet the needs of this changing labor force. The establishment of child care centers in VA facilities is certainly a favorable means of attracting new employees into the VA system.

Background

The need to establish child care centers became a focus of the Committees on Veterans' Affairs during the 100th Congress. Reacting to a General Accounting Office (GAO) Report, "Child Care: Employer Assistance for Private Sector and Federal Employees," the House Committee on Veterans' Affairs took necessary action to authorize the establishment of child care centers within VA facilities. The GAO report indicated that changes in the American work force over the last 40 years have resulted in a situation in which 52 percent of mothers with children under the age of six were participating members of the work force. It also reported that the majority of American children live in families in which both parents, or the sole parent, are employed outside the home. This trend continues to hold true in 1990.

In further reports, the Labor Department indicates that the percentage of mothers who work outside the home has risen from 19 percent in 1947 to 65 percent in 1987, and the share of the work force represented by women has grown from 33 percent in 1960 to 45 percent in 1987. The share of households headed by women has also risen -- a trend expected to continue.

Traditionally, working mothers relied on family members -- usually women -- to care for young children. However, as more women enter the work force, the number of people available and willing to deliver in-home child care has decreased. Thus, child day care centers, particularly at the work site, have increasingly become the only alternative to solve two problems: provide quality child day care when there is no home-based alternative; and, serve as an effective recruitment and retention incentive to attract well-trained workers from the increasing ranks of women entering the work force.

Reinforcing the findings of the Department of Labor and the GAO, in 1988, the Secretary's Commission on Nursing reported supporting statistics focused on the nursing population. The Commission reported that even the presence of one child under age six in the nurse's household significantly reduces the nurse's probability of working. For those nurses with young children who decide to work, young children constrain the number of labor hours these nurses are willing to provide. Within the Department of Veterans Affairs (DVA), specifically, the effect of reduced labor hours have had a significant effect. According to statistics provided to the Secretary's Commission on Nursing by VA, 15 percent of staff nurses and 12 percent of head nurses had children under age six. Furthermore, 33 percent of staff and head nurses had children between the ages of six and 18. These statistics support the need for on-sight or near-sight child care services for VA employees.

The establishment of child care centers at VA facilities is a nonsalary benefit which becomes an effective tool in the recruitment and retention of VA personnel. In 1987 as well as today, VA continues to experience a shortage of qualified health care personnel. In particular VA has been unable to recruit and retain adequate numbers of registered nurses, pharmacists and occupational therapists. Therefore, the concept of VA establishing on-sight or near-sight child care services fulfills several objectives. Such programs serve to increase the supply of potential employees by bringing into the work force those who are not currently working, as well as serve to attract a larger share of the work force to VA facilities.

In 1987, with the enactment of Public Law 100-322, VA was granted the actual authority to establish and maintain child care centers. Until this time, child care centers in VA facilities were established through contract/leasing agreements or sharing agreements. According to Public Law 100-322, while VA is to provide existing, unused space, custodial services and utilities, the Veterans Canteen Service (VCS) is responsible for all other costs of the operation. The House Committee on Veterans' Affairs acknowledged that such a program would "further encourage a cost-effective incentive for persons to seek employment with the VA."

The VA has approximately 22 child care centers in operation nationwide, either directly or by contract. Approximately half of these centers can be found in VA Regional Offices and half are located in VA Medical Centers. There are four child care centers utilized by VA employees which are operated through other means such as sharing agreements. These programs consist of spaces rented from nearby military or community facilities.

Since being provided the authority to operate on-sight child care services, VCS has opened only one child care center. This center which opened in January of 1990, is located in Danville, Illinois. Currently, the program operates from 6:30 a.m. to 4:30 p.m. on weekdays only, although, there are plans to extend these hours if the employees at the VA facility express a need. The program has 27 children enrolled, with a staff of five to six employees. According to staffing guidelines established by the VCS, the program is currently operating at 70 percent occupancy. While small, this center appears to be a successful venture for the VCS as illustrated in its first six months of operation.

Problems

Although VA and the Veterans Canteen Service appear to be establishing a record of success with their numerous child care programs available to VA employees, there are several areas of concern which should be addressed.

The first area of concern centers mainly on the programs which have been established through contract or lease agreements. In such instances, private firms have leased available space in VA facilities and are operating child care centers. Since these operations take place on what is termed "federal property," the state declines to evaluate and license such programs. Unfortunately, the federal government has not established federal guidelines for child day care centers. Therefore, these centers are currently not subject to inspection or regulation.

Inspection and regulation of child care programs is an important and necessary step in operating a child care center. It applies not only to the need to evaluate appropriate staffing ratios, but also to such areas as health and safety. Since children require special arrangements, such things as heating and air conditioning must be specially altered to meet the needs of children as well as special precautions taken to ensure their safety. However, without inspection and regulation, there is no incentive for day care centers leasing space from VA facilities to voluntarily adhere to standards set by individual states.

To address this area of concern, PVA recommends that VA's Office of Child Care establish standards for child care centers to which these contracted programs must adhere as well as monitor these programs for compliance.

Another area of concern regarding VCS's ability to effectively operate child care facilities pertains to the restricted eligibility of clients. As appropriately defined by Title 38, USC, the clientele of child care centers consist of employees of VA facilities. However in some cases, this restricted eligibility has hampered VA's ability to establish new programs or expand existing ones.

Child care industry standards have established that for a program to operate efficiently, it must have an occupancy rate of approximately 80 percent. This rate is derived from the fact that the fees charged for services incorporate the cost of staffing, food, supplies and other items. Therefore, the industry has found that programs which accommodate at least 60 children or more with an occupancy rate of 80 percent are better able to manage the cost of the program thereby, decreasing the fees for services charged per child.

According to market survey studies performed for the VA Office of Child Care, VA medical centers with 1000 employees usually indicate only 25 to 50 children who would be eligible for enrollment in a newly established program. Since the most cost-effective program must accommodate at least 60 children, it does not appear feasible for VCS to establish new child care programs in such instances.

However, if VA was provided more flexibility in the eligibility criteria for these programs it might become more feasible for the Canteen Service to operate child care centers. If VA was able to establish larger child care programs -- with at least 60 children -- the fees charged for the care of each child would be more in line with fees charged in the community for similar services. Of course, we are not advocating that the program's eligibility be so flexible as to hamper the ability of VA employees to enroll their children in a VA child care program. We do, however, suggest that a limited number of spaces be made available in the initial years of the program, perhaps through a sharing agreement, to potential clients in the community in an effort to stimulate the growth of more child care centers in VA facilities.

Another obstacle facing the Veterans Canteen Service in its efforts to provide the nonsalary benefit of on-sight child care for VA employees is the capital costs incurred when starting such a program. According to Title 38, USC, the Secretary is obligated to furnish, at no cost to the center, space in existing VA facilities, utilities, and custodial services. The Secretary may, on a reimbursable basis, convert the space described above and provide other items necessary for the operation of the center, including furniture, and office equipment.

The cost of renovating a vacant space to meet the needs of children, as well as fulfill state requirements mandated for VCS operated child care centers, is a costly undertaking. VA described in its FY 1991 budget proposal plans to establish ten new child care centers in 1991, expanding to a total of 50 by 1995. However, this plan will not be feasible without additional funding to cover the cost of renovation which VA estimates to range from $50,000 to $400,000.

VA has also proposed legislation in which the cost of such renovation would no longer be reimbursable, thereby, making the process easier for the VCS to establish new child care centers. VA proposes the cost of renovation come from the Medical Care appropriation and that this account be increased by $1,200,000. PVA views this proposal as a feasible option, only if the Medical Care appropriation is increased proportionally to cover the costs of renovating existing sites for child care centers.

One final consideration which may increase the effectiveness of VA's child care programs (also dealing with VCS funding) is the establishment of a pool of funds from which the program may subsidize client fees. Although few conclusions can be drawn at this time from the VCS's single venture in Danville, Illinois, staff have indicated that establishing a grant to subsidize the fees charged by the program would certainly enhance the program's use by VA employees.

In many instances, the support staff employed in VA facilities earn wages which are not conducive with the expense of child care. In such cases, establishing a program to subsidize the fees of on-sight child care would open the centers operated by VCS to a targeted group of VA support staff. Subsidizing client costs, through sliding scale fees, is a system successfully used by several military child care centers. However, with the lack of funding currently experienced by the VCS for child care programs, this idea appears not to be a feasible option without increased appropriations. Perhaps, in the future, VA could establish a grant program or revolving fund for this purpose.

Evaluation

In conclusion, Mr. Chairman, the initial child care program operated by VCS appears, in the early stages, to have fulfilled its purpose. Since the VCS child care center in the VA Medical Center in Danville, Illinois, has only been in operation for six months, it is too soon to effectively evaluate the success of the program in terms of recruitment and retention of VA personnel. However, staff affiliated with the program believe it has had a positive effect on recruiting and retaining potential and current VA employees. The Danville VA Medical Center personnel office reports that they have received many inquiries about the program from individuals seeking employment. The personnel office further states that having the benefit of offering this program to potential employees gives the VA an edge over other local medical centers. By all appearances, this program seems to be extremely successful in this short period of operation and appears to be a beneficial recruitment and retention tool. PVA recommends the Veterans Canteen Service continue its plans to open ten child care centers in 1991.

Mr. Chairman, this concludes my statement. I will be happy to answer any questions you may have.

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STATEMENT

BY

JOHN N. STURDIVANT

NATIONAL PRESIDENT

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

(AFL-CIO)

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

U.S. HOUSE OF REPRESENTATIVES

TO EXAMINE THE STATUS OF

DVA CHILD CARE CENTERS AND EMPLOYEE CHILD CARE SERVICES

JULY 11, 1990

CONGRESSIONAL TESTIMONY

My name is John N. Sturdivant. I am the National President of the American Federation of Government Employees, AFL-CIO (AFGE). On behalf of the over 700,000 federal employees our union represents, including some 120,000 employees of the Department of Veteran's Administration (DVA), I thank you for the opportunity to testify here today on the establishment of child care centers and employee child care services at the DVA.

Background

Two years ago, the government acknowledged the dramatic changes arising in the modern workplace in its publication entitled Civil Service 2000. This Office of Personnel Management (OPM) report pointed out that in the 1990s, almost 50 percent of the workforce will be female. Already, over half of the mothers of children under two years of age work full-time out of the home. With federal pay and benefits lagging behind prevailing rates in the private sector, and with due consideration to the fact that women still take primary responsibility for the care of children, OPM recognized that in order to situate the federal government in a position to attract and maintain a high quality federal workforce, changes were needed in the traditional employment benefit package in order to accommodate these trends.

On-site day care centers, a service which is highly valued by working families, has been shown repeatedly to be a determining factor in job choice decisions of both men and women. Both the Senate and the House Committees recognized the reality of the demographics described in the Civil Service 2000 report, and responded to the findings of the OPM study by reporting legislation authorizing the Veterans' Canteen Service (VCS) to establish child care centers and employee child care services designed to meet this pressing need. The DVA has now issued regulations pertaining to this authorization.

AFGE has a long record as a strong advocate of on-site day care centers in federal facilities, dating back officially to 1976. For many years, AFGE has fought tough battles against federal employers for the establishment of day care facilities. Indeed, the leading decisions issued by the FLRA on day care for federal employees are long-fought AFGE cases. In AFGE v. Air Force Logistics Command, 2 FLRA No. 77 (1980), the FLRA found that child care services are a condition of employment subject to collective bargaining. Nonetheless, not until February 27, 1989, did the AFLC execute an agreement to provide on-site child care centers.

In December of 1985, Congress facilitated the establishment of federal employee day care centers by enacting Public Law 99-190. Pursuant to that authority, property under the control of the General Services Administration (GSA) can be allotted, without charge, to child care providers. Prior to the issuance of these DVA regulations, some 59 federal employee child care centers were in operation in GSA controlled space throughout the nation. During the fiscal years of 1988 and 1989, the GSA opened 47 of these centers. In addition, AFGE is aware of at least 19 planned openings in 1990. It is now hoped that the VCS will make available additional facilities for use by DVA employees who are interested in on-site child care centers.

One of the earliest, and one which we consider to be a model center, is the Department of Labor Day Care Center, Inc., which operates just two blocks from here and exists as a direct result of a collective bargaining agreement between AFGE Local 12 and the Department of Labor.

The DOL Child Care Center began with an AFGE survey of DOL employees in the early 1970s. It opened shortly thereafter as one of the first federal employee on-site centers, enrolling approximately 80 children between the ages of 18 months and 4 years. Recently, the center increased its size to accommodate 100 children, but there remains a waiting list with over 300 names.

AFGE Local 12 has a permanent seat on the Board of Directors; at the same time, the local union pursues alternative child care services on behalf of its employees as well. For example, AFGE Local 12 has negotiated a two-year, unpaid maternity leave for DOL employees, as it has been recognized that family leave is an important dimension of child care services. The Local is now organizing another comprehensive employee survey to assess the extent of need for emergency child care, i.e., back-up care which is available when the regular child care arrangements are not. AFGE Local 12 is in the forefront of assisting its members in securing child care services which meet their individual needs.

The Department of Veterans' Affairs

We at AFGE are quite pleased that, with the issuance of the DVA regulations, there seems to have emerged a new attitude on the part of that agency not to resist changes in its past employment practices. Many AFGE locals are already enjoying the benefits of this change of attitude as DVA directors join with union officials to survey their workforce and plan the opening of day care centers for children.

As with any new endeavor, it is best to be cautious about the many problems which exist in the area of on-site child care centers. The two most important principles which must guide the establishment of these centers is that the care offered must be of high quality, and the cost of such care must be affordable to the employees these centers are supposed to serve. High quality and affordability are, of course, always implicit goals of any undertaking, but in the area of child care they take on an added importance.

What is "high quality" child care? It is difficult to define, in part because not all parents put the same priority on all aspects of care. According to child care experts, there are some standards which are necessary, if not sufficient, for a child care center to be considered to be of good quality. First, the center must be licensed, clean, and meet all the physical safety standards proscribed by the local government. This center should have facilities for food storage and preparation. There should be a large full-time staff which is able to care for the children in groups, so there is always sufficient staff on hand. No fewer than two care-givers should be responsible for taking care of a group of six children under the age of two. The adult-child ratio for 2-year-olds should be no more than 4 to 1. For children between the ages of 3 and 6, the ratio should be no higher than 8 to 1. There should be a balance between free play and directed activities, and when weather allows, some time should be spent outdoors in a safe environment everyday. It is extremely important that several of the staff be well-trained in child development so that no child will be pushed either academically or physically. Finally, the atmosphere should be cheerful, calm, and loving: only in such circumstances do children thrive. An added benefit is that day care centers which fit these guidelines allow parents to concentrate on their work, knowing that their children are well-cared-for.

Day care for children which meets the criteria listed above is expensive, typically costing at least $100 per week per child, although this amount varies dramatically by locality, and depends as much on local wages as it does the level of demand for child care services. But even the figure of $100 per week is prohibitive for working families, especially single parents, who rely on a federal salary.

The DVA regulations require that the child care provider cover all operating expenses. This means that even a not-for-profit organization run by a board of directors composed of parents, union officers, and other volunteers, must bring in enough tuition to pay staff salaries, insurance, and for food. It is unlikely that weekly tuition fees could be set at less than $85 per child in a center without the center losing money.

Among the realistic and readily attainable solutions to this problem, AFGE believes that the most effective would be prompt enactment of the Child Care legislation already passed by both Houses of the Congress which currently awaits Conference resolution and the signature of the President. As you are no doubt aware, the ABC child care bill provides both funds and tax credits to offset child care costs for low-income workers.

Other examples include more traditional fundraisers by unions and parents, such as union-sponsored scholarships. At the EPA headquarters' child care center, large glass recycling bins are filled each week by employees. All proceeds go the center's operation. Other federal employees use the Combined Federal Campaign donation.

Recently, the Local Women's Coordinator at AFGE Local 940 at the DVA's Philadelphia Regional Office found private funding to offset tuition expenses at its Academy for Early Learning, an on-site child care center. The AFGE local union, having negotiated the opening of this center, now acts as a financial assistance office by preparing applications for private scholarships for the children of DVA employees who are paid too little to afford day care services at the center.

We recommend that the DVA be equally creative in seeking quality and affordable child care. One impediment existing in the present regulation is that the provider seeking a contract must demonstrate past experience in child care services. This requirement reduces the prospects for increasing the overall supply of child care centers in the form of newly-established, non-profit centers. Instead, it favors higher-cost, established providers. We recognize that the intent is to assure that providers have demonstrated competence and commitment to child care, but insofar as it serves to restrict the supply of potentially good-quality and affordable providers, we believe the regulation should be modified so that only directors and staff be required to have prior child care experience.

Long term solutions to affordability for on-site child care centers are a complex issue. One obvious answer is to increase federal salaries. But in the context of designing a policy that will assure that on-site child care centers will be able to provide a high quality of service at a cost affordable to DVA employees, there are several possibilities worth exploring. We have found that despite strong support for the establishment of these centers, many operate with too few children to avoid losing money. This may be because tuition costs are too expensive; we doubt that it is because of insufficient demand. Nevertheless, AFGE believes that it makes sense that any given federal facility with an on-site center, such as a DVA hospital for example, should seek out other federal employers to join together to support child care centers in a given area. This authority is now given to the VCS.

Another answer may lie in the establishment of inter-generational centers which combine elder care, child care for infants and pre-schoolers, and even after-school care in one facility. It is also important to remember that in the effort to provide working parents with assistance in securing child care services as a benefit of federal employment, all forms of child care should be considered. Emergency care, sick-child care, after-school care, consortium centers (where various groups come together to support one center), and family leave benefits are all important aspects of the overall child care solution.

AFGE believes strongly that on-site child care is an extremely desirable benefit of federal employment. Not every federal employee in need of child care services will want to take advantage of these centers, but their convenience, quality, and affordability are likely to be strong factors in their favor.

With regard to the substance of the regulations covering child care centers issued by the DVA, AFGE believes that VCS should be moving more rapidly to ascertain the needs for particular child care services, and to provide it where the need is indicated. In order to achieve this in the most effective and efficient way, we believe that the DVA should be given more flexibility in addressing the wide range of solutions which are necessary to address the child care needs of the new workforce.

The changes proscribed in Civil Service 2000 are upon us already. Today's working families require more accommodations from their employers than in earlier eras. AFGE can and will help the DVA realize its goal of providing good quality child care centers. By remaining flexible and being creative, by teaming up with union representatives, GSA, OPM, and child care advocates, and by continuing to fight for affordable, quality child care through the legislative process, a solution to the needs of working families will be found.

I thank you for the opportunity to testify here today. If you have any questions, I would be happy to respond.

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STATEMENT OF
THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES

BEFORE

THE SUBCOMMITTEE ON OVERSIGHT

AND INVESTIGATIONS

HOUSE COMMITTEE ON VETERANS' AFFAIRS

REGARDING:

DEPARTMENT OF VETERANS' AFFAIRS CHILD CARE DELIVERY SYSTEM

JULY 11, 1990

Mr. Chairman and Distinguished Members of this Subcommittee, on behalf of the National Federation of Federal Employees, I appreciate the opportunity to appear before you today to present our views on the Department of Veterans' Affairs child care centers and employee child care services. The National Federation of Federal Employees is the oldest Federal employee union and represents over 14,000 employees in the Department of Veterans Affairs, most of whom work at VA hospitals and outpatient clinics.

In the last decade, the structure of the American workforce has changed dramatically as more and more women choose to work outside the home. Today, approximately 68% of all mothers with children under the age of 18 work and more than 20% of American children live in single parent homes. The strength of the American workforce depends, to a large extent, upon the ability of working mothers to find safe and affordable child care for their children. NFFE strongly believes that on-site child care facilities which are established and operated by employees in conjunction with the medical center administration bolsters employee morale, productivity and loyalty. In the long run, it will be the VA that benefits from these enhancements.

During the 100th Congress, the authority of the DVA to provide child care services was expanded. However, the regulations were not promulgated until December 1989. As a result, the extent of our experience has been restricted and we must caution that the two examples presented here today should by no means be considered as representative of the experiences of the remaining 170 VA medical facilities.

Approximately five years ago, NFFE VA locals in New York and California began the drive for on-site child care facilities. However, their experiences differ vastly. The commitment of the administration of each medical facility was the crucial factor in determining how quickly and efficiently an on-site child care facility was established. At the Northport Veterans Medical Facility in Huntington, New York, the child care needs of the employees were a high priority. The cooperative efforts between the Northport VA and its employees resulted in an affordable, high quality daycare facility that reflects the resourcefulness, inventiveness and commitment of the employees to safe, affordable child care. Unfortunately, the VA Medical Center in San Francisco has been hampered in their efforts to replicate this program. The previous hospital directors were not committed to finding or providing space for a child care center. As such, the program is still in its formative stages although it hopes to be operational by this fall. NFFE strongly believes that on-site child care provided in part by employers can successfully meet the increasing demand for quality child care programs.

In 1987, the Northport Veterans Medical Center began providing, free of charge, the space and utilities for the operation of the "We Love 'Em Day Care Center". The "We Love 'Em Day Care Center" is a success story.

With the strong support of the director of the VA, the employees were able to implement and operate a top-notch child care program. After the initial donation by the VA of the space and utilities, the employees recruited and hired the staff, obtained equipment and supplies and developed a curriculum. Moreover, they remain responsible for the funding of the Center. At the present, the day care facility is governed by a Board of Directors comprised of hospital employees. None of the current Board members have children enrolled in the day care facility.

Currently, the 4-room facility serves approximately 40 children. Provisions are presently being made to expand the center to include 65 children. The furnishings and physical materials for the center were solicited by hospital employees from a variety of sources. For example, the desks, chairs and tables were donated by the local high school. The play and exercise equipment was acquired through a program sponsored by the Campbell Soup Company. The baby cribs were donated by hospital employees and their families.

The Center is funded primarily by annual fundraisers: plant sales, bake sales, and garage sales. Additionally, a portion of the funds comes from the Combined Federal Campaign Check-off program. In this way, employees who do not have children in the center may contribute a small portion of their pay check to the child care center. As a result, parents currently pay approximately $30 per week per child. As a comparison, child care services in the District of Columbia cost as much $1,000/month. We believe that the "We Love 'Em Day Care" facility is an affordable, high quality program.

The Center is staffed by three teachers all of whom have completed bachelor's degrees in early childhood education. Volunteers comprise additional staff.

The on-site status of the Center alleviates the fears many workers have of leaving their children in a distantly located facility. The high level of care and the professionalism of the staff enable parents to complete their job duties with the assurance that their children are receiving quality care.

The "We Love 'Em Day Care Center" was developed and implemented by employees of the Northport VA Medical Center. In large part, this program succeeded because of the commitment of the director and the employees at Northport to create an affordable, quality program. In short, this program works. However, the Veterans' Administration Medical Center in San Francisco has been hampered in its efforts to establish a similar program.

For the past five years, a group of approximately 20 employees at the VA Medical Center in San Francisco has worked to develop an on-site child care facility. However, their efforts have been blocked by an administration that was not, until recently, committed to finding or providing space to establish a child care center. Nevertheless, this group has been able to raise $85,000 for the child care center which they hope to establish. Known as the "Cheryl Andersen Sorensen Child Care Center", the facility is expected to be housed in a prefabricated modular unit located in a VA parking lot. Unlike the Northport child care facility, the VA in San Francisco has rebuffed employee attempts to encourage the medical center to assume the payment of utilities. It will hopefully be operational by October 1, 1990.

Administratively designed like the Northport facility, the Board of Directors at the Cheryl Andersen Sorensen Center is in the process of hiring its Executive Director. Together, the Board and the Director will hire the staff. To date, of the 36 available openings in the Center, 24 have already been filled.

Despite the fact that the Northport and San Francisco facilities began their efforts at roughly the same time, the Northport facility was able to become operational after two years of planning and fund raising. It has been operating for the past three years. Conversely, the day care needs of the working parents at the San Francisco facility have gone unmet during this five year period because of the recalcitrance of the administration there. We hope that the change of administrations and directors will enable the Cheryl Andersen Sorensen Child Care Center to achieve the same level of success as the Northport facility.

While these two examples provide an insight into the factors necessary for a successful on-site child care program, we must reiterate that they should not be extrapolated to the experiences at other VA medical facilities. We would like to believe that our experience at Northport is the rule. However, we cannot substantiate this as fact. We do know that the support of the administration at each facility was a crucial factor in getting the child care centers started. NFFE strongly supports the VA in its efforts to develop safe, affordable, quality child care centers. We believe that greater guidance and greater financial commitment from the VA will enable these employee groups to develop such programs. This concludes my statement. I will be happy to answer any questions.

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Before the

Subcommittee on Oversight and Investigations

Committee on Veterans Affairs

U. S. House of Representatives

July 11, 1990

Mr. Chairman and members of the Subcommittee, NOVA thank you for holding this hearing to examine the status of VA child care centers and employee child care services. As an organization of registered nurses committed to providing quality care to veteran patients, NOVA is keenly interested in the ability of VA to recruit and retain highly qualified personnel. We believe that the availability of child care services at our medical centers is important in recruiting and retaining qualified health care personnel.

The availability of employer-subsidized child care facilities is becoming one of the most popular employee benefits. Women currently are 80 percent of the workforce in hospitals, making child care a crucial issue. The VA Task Force on recruitment and retention on Non-Physician Health Care Workers included the development of child day care centers for VA employees among its recommendations in 1987. A nationwide survey of hospital executives in 1988 found that 38 percent of all hospitals provide some type of child care benefits or services: 11 percent offer on site day care facilities; 7 percent offer off site child care services; and 11 percent child care information and referrals to their employees. According to the United States Census Bureau, in 1990 there will be 23.3 million children under age six in the United States. Over half of these children will have mothers in the labor force, and these mothers will require child care services for their children.

NOVA applauded the passage of PL 100-322 which supports the establishment of VA child care centers. VA was directed, when existing space, demand and other considerations make it feasible, to establish child care centers at VA facilities, through the Veterans Canteen Service. Unfortunately it appears little progress has been made in establishing the day care facilities as authorized in the 100th Congress. A few VA day care centers were established prior to the enactment of PL 100-322; however, the trend has not continued and centralized policy guidance is sorely needed. As of this date there has been no distribution of guidance to the field regarding how to proceed. In some cases VA employees have initiated steps towards establishing a child care center on their own. Many have become discouraged and abandoned their efforts. The difficulties of finding appropriate space, obtaining liability insurance and meeting community standards often present obstacles that, without VA policy and support, seem insurmountable. A nurse from Pennsylvania told NOVA, "Oh, they were talking about starting a child care center when my son was a baby, and now he is 27 years old!"

Some of the medical centers have succeeded in establishing child care centers. Their extensive efforts have included forming a variety of cooperative relationships with other community groups, considerable ongoing fundraising, or offering sliding-scale fees to employees who earn lower wages. Many nurses and LVN's have not been able to take advantage of VA child care centers because the cost was too high or the hours of operation did not accommodate the mandatory shift rotation required of nursing personnel.

It is apparent from our discussions with some of the medical centers that have established on site child care centers, that each locale is unique in the way it operates, as well as the services it provides; the hours of operation, the age of children it accepts, the fees charged, and whether or not it has a sliding-fee scale. The overall impression is that the centers provide convenient and good care and are viewed positively as a service to employees and in some instances to the community. Where they exist, the child care center is considered a positive factor in recruitment and retention.

VA acknowledges that the availability of child care services at our medical centers is important, particularly in recruiting and retaining qualified medical personnel. VA has been directed to provide the Veterans Canteen Service with existing space in VA facilities for use as child care centers and give those centers custodial support, utilities, and certain services and amenities needed for the children's health and safety. VA facilities may also pay the costs of converting the space into a child care center, but the Canteen Service must reimburse the facility for the cost of the conversion. The law makes no provision for extending reimbursement over a multi-year period. It is believed that because it may take a considerable length of time for the Canteen to recoup the monies needed for reimbursement from providing child care, the financial burden imposed on the Canteen Service may be a factor in limiting its ability to establish child care centers. If this is a major stumbling block to establishing child care, the law should be amended to allow reimbursement over a multi-year period. NOVA urges that this be investigated. As a recruitment and retention issue, child care is emerging as a critical factor in being able to staff many hospitals due to the large number of women in the workforce. With delayed childbearing, an increasing proportion of women will be caring for both children under 18 as well as elderly parents.

Another dependent care issue critical to recruitment and retention is eldercare. The 1982 National Long-Term Care Survey found women were offering high levels of overall assistance to the non-institutionalized elderly. Informal caregivers to the frail elderly are primarily female (72 %) with 29% of them adult daughters and 23% wives. American corporations are beginning to recognize a growing problem: pressures on millions of workers responsible for the daily care of an aging parent or relative. The resulting stress can cause absenteeism, lower productivity and resignations. In 1985, the Travelers Corporation taking a survey of caregivers in the workplace, reported that 7 out of 10 primary caregivers are female, and spend an average of 16 hours per week providing care and 8% spend 35 or more hours, the equivalent of a second full time job.

Although women are not the only care providers for children and elders, they assume primary responsibilities for this care in our society. In the future, eldercare will join child care as an important employee benefit. Because women represent such a high percentage of the workforce of hospitals, hospitals may be called upon to lead the way in providing this service.

NOVA urges you to review the need for other types of dependent care as you consider the progress made by VA to provide child care. Perhaps the medical centers with Adult Day Care programs can designate slots for the elderly dependents of employees, or other innovative programs can be developed. The VA medical centers can use this type of incentive in its efforts to recruit and retain adequate numbers of health care personnel.

NOVA thanks you for your interest in this important issue and for the opportunity to present this statement. Mr. Chairman, I would be pleased to respond to any questions.

TESTIMONY

OF THE

AMERICAN NURSES ASSOCIATION

THE

ASSOCIATION OF OPERATING ROOM NURSES

AND THE

AMERICAN ASSOCIATION OF CRITICAL-CARE NURSES

ON

CHILD CARE SERVICES AND CENTERS

IN THE DEPARTMENT OF VETERANS' AFFAIRS

BEFORE THE

HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATION

PRESENTED BY

PAMELA RACHAL R.N.

JULY 11, 1990

Mr. Chairman, I am Pamela Rachal R.N., a head nurse at the Washington Veterans' Administration Medical Center and a member of the Maryland Nurses Association. On behalf of the American Nurses Association (ANA), and the 200,000 members of its 53 constituent state and territorial associations, the 40,000 members of the Association of Operating Room Nurses (AORN), and the 68,000 members of the American Association of Critical-Care Nurses (AACN), we appreciate the opportunity to testify on child care facilities and services within the Department of Veterans' Affairs (DVA).

Child Care - Background

According to the United States Census Bureau, in 1990 there will be 23.3 million children under age six in the United States. Well over half of these children will have mothers in the labor force. Over 66 percent of all women with children under age 18 and 57 percent of all women with children under age 6 are in the paid labor force. The number of single parent families is increasing at a rapid rate as well - with most single parent families headed by women. In 1986, 23 percent of all families were headed by women. Sixty percent of all children born in 1984 will spend at least part of their childhood in a one-parent family. It can be concluded, therefore, that the majority of employees in the United States are or will be involved with arranging care for their children during their working careers. As the Department of Labor study entitled, Child Care: A Workforce Issues (1988), clearly demonstrates, the need for child care is critical and will continue to increase in the coming years.

Families utilize many different methods of child care. Hiring a sitter or a nanny to care for a child in one's own home is generally the most expensive type of care. Care in a day center or with a family day provider is slightly less expensive than in one's own home and is used by 40 percent of all families for babies and by over 45 percent of all families with children, ages one to two. Relative care is usually the least expensive method of care as well as the one most used by American families today. An increasingly used type of child care for school age children is self care--they are commonly known as "latch key children." Over 10 percent of all five to 14 year olds are responsible for themselves after school hours.

Child care is expensive, regardless of which child care method is used. According to the National Institute of Child Health and Human Development, poor families with the youngest child under age five spend an average $25 per week on care; non-poor families spend an average $36 per week on child care. As a percentage of total income, however, poor families spend about 25 percent of their total income as compared to 10 percent by non-poor families. Although single parents with a young child under age five may spend a smaller dollar amount on child care than married women, single parents spent twice as much in proportion to their family income.

Employers have just begun to address the child care needs of working parents. In 1978, fewer than 100 employers operated an on-premise child care center. By 1988, however, the Conference Board estimated that 3,300 corporations provide some type of child care assistance. That assistance may include: an on-site center; subsidies or vouchers that may be used to pay for outside child care; employer arranged discounts at a community child care center; a sick child program that provides nursing care or temporary infirmary care; information and referral service to advise employees of available child care in the immediate area; an after school program for children after regular school hours; contracting with child care providers in the community; flexible benefit programs where an employee may choose child care as an optional benefit; and alternative work schedules to allow flextime, job sharing, family leave, and family sick leave for the employees. Although few studies have actually been performed that demonstrate the correlation between worker productivity and satisfactory child care arrangements, easing an employee's child care concerns certainly raises worker morale and increases the retention rate of employees.

Child Care in Health Care Organizations

Women currently make up 80 percent of the hospital workforce so that for health care organizations, the child care crisis is even more significant. A survey by the National Association for Health Care Recruitment (1988) revealed that improved benefit packages enhanced the recruitment and retention of nurses in hospitals. In order to stay competitive, hospitals are initiating child care programs to try to meet the demand of the employees in the hospital workforce. As reported by a 1988 survey of hospital executives (American College of Hospital Executives), 38 percent of hospitals are providing some type of child care benefits or services. This survey found of all hospitals providing child care, 11 percent (or 700 health care institutions) provide in-house day care facilities for employees; seven percent offer off-site child care services; 11 percent assist the employees with child care expenses; and 19 percent provide child care information and referrals to their employees.

On site child care centers for employees is the most visible child care option undertaken by hospitals. Hospital sponsored child care centers vary on matters such as hours of operation, weekend availability, availability of special programming including sick child care, kindergarten programs, and after-school child care services. All share the common goals, however, of providing quality child care services in the workplace and enhancing the institution's position relative to staff and nurse recruitment and retention.

A recent survey conducted by the American Medical Women's Association demonstrated the growing interest in on-site child care facilities in hospitals. The survey found that teaching hospitals with day care centers had a greater percentage of women on service than in those with no child care program. Of the child care programs surveyed, they also found that 32 percent of the children using the program were children of nurses, 21 percent were children of housestaff; 19 percent were children of medical school faculty; and the remainder labeled "other", included some children from the community.

Child Care in the Federal Government

As the nation's largest employer, the U.S. government should provide role model employer programs for their over two million employees. On-site chi~~ld~~ care facilities as well as additional programs to meet the child care (as well as the elder care) needs of federal employees would be a valuable as well as visible means of supporting one's employees. To date, however, with the exception of child care for military families, the federal government has only recently begun to consider the child care problem in the federal workforce.

In June 1988, the Office of Personnel Management released a study entitled Civil Service 2000, conducted by the Hudson Institute at the request of the United States Congress. The report, which closely followed the release of the Department of Labor's Workforce 2000, details the demographic changes of the workforce and the long term needs of the future workforce. Not surprisingly, the issue of child care is a central theme in the report. According to the General Services Administration, there are between 200,000 and 300,000 parents with children under age five in the federal workforce. The General Accounting Office has estimated that there are between 700,000 pre-school children and more than 1.7 million children (under age 18) of federal employees. The Bureau of Labor Statistics reports that 13 percent of large (over 250 employees) government offices - including federal, state, and local - sponsor child care centers. The need for child care, however, will continue to grow as a larger proportion of the federal workforce becomes women and many of those women who will be hired will be in their child bearing years and employed in relatively low wage jobs.

The most important piece of authorizing legislation for instituting on-site child care in the federal workplace is Public Law 99-591, 101(m) 40 U.S.C. 490 (B) which authorizes child care centers in federal workplaces if priority is given to federal employees, at least 50 percent of the parents are federal employees, and the space is available. The law also authorizes the space to be allocated for child care rent free and with the provision that utilities are provided free of charge. Former Senator Paul Trible (R-VA), who attached this authorization to the Treasury-Postal Supplemental Appropriations Bill in 1985, also stipulated that the centers should be "worthwhile" to low income employees. Since the law was passed, the federal government spent $.5 million in fiscal year 1986 and $.9 million in fiscal year 1987 for child care expenditures in federal buildings.

In May 1987, Representative Cardiss Collins (D-IL) held hearings on the advancement of child care in the federal workplace. She stated after listening to testimony for several days that inaction by the General Services Administration (GSA) on child care issues was "deplorable" as only nine child care centers existed in GSA space around the country. Soon after the Congressional hearings held by Representative Collins, the Administrator of the General Services Administration hired a high-level assistant for the purpose of coordinating all child care services in the federal government. A program entitled, "Your Partner in Child Care" was initiated to help federal agencies find space for child care in federal buildings as well as build the space for that use, and provide reference material on how to start a center in a federal agency. After eight months of operation and the publication of a glossy brochure, the high-level assistant was reassigned to other duties and funding for the GSA child care programs was eliminated. This program has never been reinstituted. Despite the obstacles, federal agencies are making slow progress in the advancement of child care and the placement of on-site child care centers.

Nurses in the Department of Veterans' Affairs

The health care delivery system of the Department of Veterans' Affairs (DVA) is administered by the Veterans Health Service and Research Administration which includes 172 medical centers, 229 outpatient clinics, and 117 nursing homes. There are 35,867 RNs employed by the DVA - 80 percent of whom are full time. There are 67,000 nursing staff which include LPNs and nurse aids.

One survey cites the average age for the full-time nurse employed by the DVA is 44.7 years. The average age for the part-time nurse employed by the DVA is 41.8 years. These average ages have two implications. One, as these nurses, primarily women, retire from their jobs, the DVA will need to hire additional nurses, many of them who will be in their 30's and seeking child care as an employee benefit. Two, the nurses in their 40's are likely to be caught in the newly emerging "sandwich generation" - caring for their children and elderly parents at the same time. This set of circumstances necessitates the need for both child and elder care arrangements.

Child Care in the Department of Veterans' Affairs

DVA hospitals, like other hospitals in the nation, are experiencing an ongoing critical nursing shortage. Recruitment and retention of nurses within DVA are focusing not only on salary inequities, but other benefits that will permit DVA hospitals to be competitive with the private sector. Nurses shortages have led to over 3,000 bed closings, reduction of surgical procedures, limitation of therapeutic services, and limited access to health care service for veterans.

Child care needs for health care personnel differ somewhat from the child care needs of employees in other occupations. Child care is expensive. Under Title 38 of the U.S. Code that dictates nurses' pay in the DVA, the starting annual salary for a Junior Nurse (DVA classification) is $18,174. Most DVA nurses occupy the Intermediate category which pays a starting annual salary of $29,891 and a maximum annual salary of $38,855. Although nurses' wages in the overall labor market are low, nurses in the Department of Veterans' Affairs (DVA) receive even lower wages than their counterparts in the private sector. Many times if child care is available, the expense is prohibitive unless a sliding scale is offered to lower paid employees. In addition, nurses' working hours include evening and night shifts, compressed work schedules, and weekend and holiday obligations. Traditional child care centers would not be adequate to meet the special needs of nurses and their families in the DVA. It is also important to note that many child care facilities offer openings to children 18 months or older. Infant care is not only more difficult to find, but more expensive than child care for toddlers.

In 1988, Public Law 100-322 was established by Congressional legislation to require the DVA (then Veterans' Administration) to establish child-care programs, as appropriate, at its medical centers and facilities under the auspices of the DVA Canteen Service. Specifically, the law provides:

(1) The Administrator (now Secretary), through the Service, shall provide for the operation of child care centers At Veterans' Administration facilities in accordance with this section. The operation of such centers shall be carried out to the extent that the Administrator determines, based on the demand for care involved, that such operation is in the best interest of the Veterans' Administration and that it is practicable to do so. The centers shall be available for the children of Veterans' Administration employees and, to the extent space is available, the children of other employees of the Federal government and the children of employees of affiliated schools and corporations created under section 4161 of this title.

(2) There shall be in the service an official who is responsible for all matters relating to the provision of child care services under this authority.

(3) The Service shall establish reasonable charges for child care services provided at each child care center. The charges shall be subject to the approval of the Administrator.

(4) The Administrator shall furnish at no cost to the center, space in existing Veterans' Administration facilities and utilities, custodial services, and other services and amenities necessary (as determined by the Administrator) for the health and safety of the children provided care at the center.

The law to facilitate the DVA to set up child care centers has been in place for nearly two years, yet appropriations have not been passed to fund the incorporation of child care centers in DVA.

In the "Veterans Benefits and Health Care Act of 1989" (S. 13), a provision was included in the legislation that was intended to complement the authority enacted in Public Law 100-322. Entitled the "Dependent Care Assistance Program", this provision would amend Title 38 so as to add a new section authorizing the Secretary to establish and operate a program for the care of dependents of DVA employees that meets the requirements of section 129 of Internal Revenue Code (Title 26).

Title 26 permits employees working in non-Federal organizations to contribute up to $5,000 annually tax free for the care of the employee's dependents. Under such a program, upon the request of the employee, an employer excludes from the employee's gross income specified amounts to be placed in an escrow account. The employee then draws upon this account for dependent-care costs. In a similar manner as to 401(k) plans, this amount of income used to pay for child and elder care expenses, is set aside and not reported to the Internal Revenue Service as part of an employee's earned wages, thus resulting in a reduction of the employee's income tax.

The Senate Committee on Veterans' Affairs has stated that the DVA must examine a wide range of employee benefits which may assist in the recruitment and retention of health-care personnel. One such benefit, the Senate Committee asserts, is assistance in the area of dependent care. Due to these considerations, the Senate Committee on Veteran's Affairs reported out this provision last year and attached it as an amendment to the Omnibus Budget Reconciliation Act of 1989. Despite these efforts, this provision was stripped from the bill prior to final passage.

At the end of fiscal year 1987, the DVA was operating 18 child care centers for over 700 children of DVA employees. Many of the child care facilities in the DVA were begun by the grassroots efforts of the employees. For example, child care centers developed by non-profit employee groups were initiated in 11 DVA Medical Centers between 1979 and 1983. Planning for these centers averaged 1 1/2 years. Nine of the 11 centers accepted infants and all enrolled toddlers and pre-school aged children. Weekly rates ranged from $40.00 to $125.00 (in 1983). Three of the centers used a sliding scale based on a family's income. Higher fees were usually charged for infants. Three of the centers permitted part-time child care on a pro-rated basis. Most centers were opened Monday through Friday, and their capacities ranged from 19 to 158 children. Only three of the centers had evening hours.

Children of nursing personnel using the centers ranged from zero to 75 percent. Center directors believed nurses' erratic work schedules, including tour rotation, and the centers' high fees affected the use of the child care facilities. The extent to which nurses actually used the child care centers was related to the hours of service offered, however, all centers reported no difficultly filling the available slots. One medical center's nursing personnel identified several criteria necessary for adequate child care for nurses: (1) reasonable cost, (2) available 24 hours with the night tour in the child's home, as well as holidays and part time (several hours per day or several days per week), (3) accommodation of a compressed work schedule and different work shifts; and (4) minimal stress for a child.

Nurses' Role in Child Care

Nurses have a special interest in the issue of child care (and elder care), as recipients of the service and as professionals who provide service and participate in the development of adult and child care centers. In 1987, the American Nurses Association (ANA) House of Delegates passed a Resolution entitled, "Access to Child Care" that stated ANA's support for federal legislation and regulations which would increase access to affordable, quality care for well and sick children on a 24-hour basis and promote the development of financial incentives for subsidizing and providing child care on a 24 hour basis. In the following year, the ANA House of Delegates adopted a statement that ANA provide leadership and collaborate with other organizations in the development and implementation of national policies for child care programs that include:

1) Mandatory licensure of all facilities.
2) Emphasis on health and safety standards as one of the regulatory bases.
3) Parental involvement in decision making.
4) Utilization of the expert resources of nursing and public health agencies.
5) Models for delivery of services to children with special needs.

ANA believes that no one type of child care (or elder care) arrangement will solve the current crisis facing our nation. Child care tax credit legislation with comprehensive direct service proposals and economic assistance for low and moderate income families is needed. ANA has strongly supported and advocated comprehensive child care legislation in the past several years to help families pay for care through funding for direct services that includes safety and quality provisions and expansion of tax credits. To help meet the needs of child care in our country, ANA strongly urges the federal government to establish role model child care programs so the private sector can follow suit. Providing comprehensive child care programs at the DVA benefits everyone-the employer, the employee, and the child. A related issue also exists for these health care employees with elder care. ANA supports adult day care programs in order to service those with health care needs. One out of every five employees in the labor force over the age of 30 will care for an elderly parent at some time during their work careers.

Conclusion

For the DVA to recruit and retain health care professionals, the agency must provide competitive salaries along with attractive benefit packages. Benefits must include flexible schedules, job guaranteed family leave, educational opportunities, and child care. Legislation has been discussed over the past several years that addresses many of these subjects. Although the Administration has been adamant in its support of the "concept" of these programs, they have not endorsed specific legislative proposals on the grounds that employers will voluntarily implement family and medical leave as well as child care. Let the federal government begin by becoming a model employer in terms of providing programs to help families integrate their work and family responsibilities. If the federal government is indeed serious about attracting and retaining a qualified workforce, providing affordable and quality child care for the employees in the DVA would be an excellent first step.

Thank you for asking ANA to testify here today. I would be happy to answer any questions.

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TESTIMONY OF THE

NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

TO THE

COMMITTEE ON VETERANS' AFFAIRS

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

REGARDING THE STATUS OF

DEPARTMENT OF VETERANS' AFFAIRS CHILD CARE CENTERS

July 11, 1990

The National Association of Government Employees is an affiliate of the Service Employees International Union, the fifth largest union in the AFL-CIO. The NAGE represents approximately 15,000 VA employees in 15 medical centers throughout the United States. We appreciate the opportunity to testify before the subcommittee on the status of Department of Veterans Affairs child care centers and employee child care services.

Child care concerns are among the most crucial workplace issues confronting the Veterans' Administration, and indeed all of America today. Nationwide the demand for child care is climbing rapidly. As recently as 1970 only three out of ten preschool aged children in America had mothers in the workplace--today five out of ten do and that proportion will climb still higher to seven out of ten by the year 2000, according to the U.S. Department of Labor Study Workforce 2000. Women's role in the workforce has also increased dramatically; in 1950, women accounted for only 30% of the workforce while in the year 2000 women will account for more than 60% of the workforce. We have every reason to believe that the Veterans Administration, which has an even higher proportion of women employees, has an even greater need for quality child care than the average employer. The VA recruitment and retention problems among key female-dominated occupations makes on-site day care particularly important. The presence of a comprehensive, cost effective child care system provided with the assistance of the Veterans' Administration could function as an effective recruitment and retention tool.

As you are well aware, Mr. Chairman, the VA and the federal government are experiencing serious recruitment and retention problems as a result of low wages and benefits and poor working conditions. For example, in 1986 the turnover rate for RN's in the VA was 16%, in 1987 it rose to 22%, and then to 26.5% in 1988. The LPN turnover rates have rose from 18.9% in 1986 to over 30% in 1987, and 35% in 1988. Low morale, low compensation, and the lack of services and benefits such as child care all contribute to this drastically high turnover rate for these two crucial professions. There is some evidence that many state and local hospitals and private sector hospitals are playing a leadership role in developing on-site child care.

It is becoming increasingly apparent that many businesses recognize that providing child care assistance is good business. There is evidence of important bottom line savings to business who help with child care such as the following anecdotal evidence provided by the Department of Labor.

*PCA, Inc., a photography company that reported $30,000 in annual recruitment savings, as well as 3,500 walk-in applicants one year, in a 2-3 percent unemployment labor market.

*Nyloncraft, an Indiana plastics company, reported a drop in its turnover rate from 55 percent to under 10 percent.

*Merck Pharmaceuticals saw the time employees were absent on maternity and child care leave drop from six months to four.

*Intermedics, Texas medical device manufacturer, found a tardiness and absentee saving of 15,000 work hours in a year.

These same savings could be realized in the VA with a network of low cost, quality day-care facilities.

On-site child care exists at 19 of the 172 existing Veterans' Administration Medical Centers, including 3 of the medical centers at which we represent employees. Our membership includes the full range of medical professional and support personnel. As a matter of policy, the Veterans' Administration supports the establishment of on-site child care centers, but has no official involvement with the existing centers except through the lease agreement for the space provided. Therefore, the VA has no control over the level of services provided or the cost of such services, and cannot obligate funds to help establish the centers. We have found that the VA's hands-off policy has created problems for those employees who take the initiative to establish their own child care programs. In our medical centers that have succeeded in establishing child care for their employees, it has been a long and arduous task, spending years organizing bake sales and embarking on private fund raising efforts in order to assume the renovation and startup costs. In many other centers, unfortunately, years of effort have yielded no results. NAGE believes that the VA must establish a comprehensive, agency-wide policy with substance to help every medical center and Veterans' Administration facility provide affordable child-care services for its employees.

The VA now has the legal authority to take a more active role in the development of on-site medical centers. In the 100th Congress, the Veterans' Benefits and Services Act of 1988 (PL 100-322) was enacted, which authorized new guidelines on child care services at VA facilities. Under the provisions of this bill, the Veterans Canteen Service was authorized to operate child care centers at VA medical centers and facilities directly or by contract. In addition, the law requires these centers to be in compliance with all applicable state and local regulations, and that the charges for services be reasonable.

The VA has taken some small steps to comply with the provisions of the new statute. The Veterans' Canteen Service has established the Office of Child Care Services, which, in accordance with the statute, is responsible for all matters relating to the provision of child care services, and has been analyzing the results of a VA Child Care Services Survey conducted earlier. However, progress has been slow in the VA so far; not until December 27 of 1989 did the Department of Veterans' Affairs publish a notice in the Federal Register proposing to amend its regulations in order to comply with the statute. As of today, no final regulations have been published. Although over two years have passed since the Veterans' Benefits and Services Act of 1988 became law on May 20, 1988, only one pilot project exists for child care from this statute, in Danville, Illinois.

At many of our medical center locals employee demand for affordable on-site child care has led to surveys and inquiries into the feasibility of establishing a center. For example, our Manchester, New Hampshire local reports that they have been looking into establishing on-site child care services for over three years, but have thus far been unsuccessful in their efforts. A Child Care Needs Assessment Survey was conducted in 1987 in which 90 employees completed the survey from 600 distributed. Each responded that they had an interest in developing an on-site child care program. Although some preliminary steps have been taken, such as reviewing appropriate State Day Care Licensure Laws and Regulations, and indentifying state and local child care building code requirements for space, no proposed startup date has been settled upon, principally because although there is strong employee interest, there is no available building space at the Medical Center. However, there is land available on the facility if VA funds could be appropriated to construct building space.

A direct and unfortunate result of the recruitment and retention problems in the VA among nursing personnel is the existence of severe staff shortages. Our Coatsville, Pennsylvania VMAC, which does not have on-site child care facilities, reports that personnel often must work mandatory overtime and extended shifts, which not only compromises patient care but also drastically increases the need for effective child care services as personnel must work mandatory overtime often times despite relatively compelling family committments. Rotating shifts occur when personnel are scheduled to work different hours on different weeks. Changing shifts causes difficulties in securing child care committments, for the employee may not know what weeks their child care needs are the most urgent. In addition rotating shifts can cause special child care problems. In the past few years sick leave usage at the Coatsville VMAC has increased dramatically, undoubtedly due to the long hours of work and the difficulties experienced by workers in spending reasonable amounts of time with their families.

I would like to provide the subcommittee with another example to illustrate the strain placed on families by staff shortages and mandatory overtime. Our Martinsburg, West Virginia local, which does not have child care facilities at the medical center, reports that often times the nursing personnel are told just before their shift expires that they must work mandatory overtime. Therefore they must scramble to have another familiy member pick up the child or make other arrangements. In particular, this puts particular strains on single parent families. Sometimes, personnel are allowed to leave the medical center to pick up their children at whatever child care arrangements they have made for their regular shift and then must return for their mandatory overtime. Our local reports that with management's knowledge, children sometimes accompany their parents back to the hospital, and remain in the ward while their parent completes his or her shift. While clearly something must be done to correct the government-wide recruitment and retention and staff shortage problems, this example demonstrates that the presence of on-site child care facilities provided with the help of the VA would alleviate some of these regularly occurring problems.

Great demand for affordable child care exists at Martinsburg, but because the VA's does not currently have a working policy to assist the establishment of child care centers, what began as a simple inquiry into the creation of a child care center at the VMAC has become a fruitless and complex journey entering its 6th year. In 1986 an employee committee was formed to look into the question of child care services at the VMAC. These employees were told that VA policy endorsed local, employee-initiated efforts to establish non-profit associations formed by VA employees for child care centers. However, VA's only official association with these centers is established through a lease agreement for the space provided. The centers, if established, were responsible for reimbursing the VA for utilities, building management, and maintenance, and must assume the costs of renovating any building space provided under the lease agreement. The employee group went on exploring the possibility of creating such a center with the help of the medical director; however the renovation cost estimates of the property the VA was willing to lease, ranged from $40,000 to $200,000. Because the VA had no authority to obligate funds for this renovation, the employees would have to raise it on their own. Most likely, the steep start-up costs would be reflected in high tuition rates once the services were established, which would defeat the purpose of attempting to establish affordable child care.

Because of this roadblock, the possibility of a joint project with the IRS National Computer Center employees next door was explored. The IRS employee group had also been involved in an effort to create a child care center, but was deterred from doing so because of a lack of available space on its grounds. It appeared that such a partnership would work well: both centers had great demand for child care, the VA facility had the space and the IRS the authority to obligate funds for its construction. However, the numerous problems associated with a joint project involving two distinctly separate government agencies proved to be too difficult a course for the employees to negotiate.

In September of 1990, a child care center established by employees of the IRS will open, and this center may have available slots for children of VA employees. Although the joint project was to have 100 slots equally divided, the center upon its completion will have 65 slots with the children of IRS employees receiving 100% placement priority. Because of this provision, almost 25% of the VMAC employee's children were not accepted into the program. In addition, the price of the services for VA employees were accommodated is about 10% higher. Had the VA possessed a more complete policy, including the ability to obligate funds for the construction of child care facilities, it is possible that many of these hurdles could have been cleared and an affordable child care facility could be in operation at the medical center. Problems with the IRS center at Martinsburg has been minimized because they could follow the guidelines established by the IRS Strategic Initiative on Child Care, a pilot project program developed in FY86. Although the Martinsburg IRS facility was not selected as one of the four pilot sites, but could use the Initiative as a useful tool.

Our local at the Brockton VMAC has established child care services at their medical center. Now that the center is running, it has functioned well, but the absence of financial support available from the VA during the establishment of the center delayed its opening as the employee association that was formed spent years organizing bake sales to raise money for the renovation costs. The Brockton VMAC Tyke Center was formed after an employee survey demonstrated a great demand for child care existed. In 1981, when the center was established, their were 17 children in the program. As of September, 1989, 29 kids were enrolled in the program with 15 on a waiting list. The increase in enrollment is due to an increase in the available space at the center, although clearly more space is needed to accommodate the growing demand for service.

The non-profit association run by employees reports that the success of the center is partly due to the enthusiasm of the medical center director, who has a five year old of his own and thus is more sensitive to the concerns of employees regarding child care, and partly due to the many employees who donate their skills to keeping up with the maintenance of the facility. As a result, the cost of the services is very affordable--$76.50 a week for pre-schoolers, and $86.50 a week for toddlers, for which there is the greatest demand and requires the most supervision and staff. These rates are significantly cheaper than the average of $95 a week and $110 a week respectively at private child care centers in the community. In addition, the center provides drop-in service, which has alleviated many of the problems that can occur when overtime situations are present. Clearly, the day-to-day experiences of the employees at the Brockton VMAC have been made easier by the presence of on-site child care. In fact, our local reports that sick leave use by those using the on-site child care services has declined since the creation of the program. One reason for this decline may be the increased flexibility that on-site child care offers to those parents.

Another one of our three locals which supplies on-site child care services is at the West Roxbury, Massachusetts VMAC. The program was more than 10 years in the planning, and has been fully operational for over 3 years now. The employee association that was formed because of the need of child care services spent 9 years organizing bake sales and soliciting funds required to pay for the renovation of two construction trailers on VMAC property. Although the employee association subsequently turned to a private, non-profit entity to set-up and run the program, involvement by VA employees, especially those with children in the program, was, and continues to be crucial to the success of the endeavor. This particular program has 24 slots, all of which are currently filled. Current tuition rates are $126 a week for toddlers and $111 a week for pre-schoolers. We believe that as the VA develops its policy regulations according to Section 412 of P.L 100-322, it should be particularly sensitive to keeping down the cost to the employee. After all, a GS-5 at West Roxbury VMAC takes home the same amount of money as a GS-5 at Brockton, and yet on-site child care costs them more out of their weekly paycheck. At West Roxbury, the program offers tuition reduction vouchers for lower-paid employees. We believe the key issue in this matter is providing affordable child care--on-site child care will be a failure at the VMAC's unless the entire range of personnel, from the doctors and nurses to support staff, are able to use the services.

Reports from our locals with on-site child care services indicate that the demand for participation in the programs has steadily increased once the centers are established. This may be because parents are reluctant to pull their children from their current arrangements until they are sure that the program provided at the VMAC is one that suits their needs.

The Veterans' Administration should be a national leader in providing child care services at their medical centers because of the demographics of its workforce and because of its mission. The Veterans Administration has a high concentration of women in the workforce, many of whom are parents, and all of whom are dedicated to caring for the many patients in VA hospitals. Most of these professionals, and the many other VMAC employees who play an integral role in caring for others, do not have access to on-site child care for their own families. Mr. Chairman, there is clearly a need for an child care services at VA medical centers across the country. If the VA had been able to take a more active role in supporting the efforts of employee associations in years past, then it is likely that many more child care centers would exist at VMAC's across the country.

However, Congress has now spoken on the matter in Section 412 of P.L 100-322. The problems encountered by our Martinsburg, West Virginia local in assuming the responsibility for renovation, building management, and maintenance would be eliminated by Section 412, which provides that the VA "furnish, at no cost to the center, space in existing Veterans' Administration facilities and utilities, custodial services, and other services and amenities necessary . . . for the health and safety of the children provided care at the center." However, the VA has been slow in assuming the responsibilities required by this section. With over two years elapsed since the signing of the bill, no new regulations have taken effect.

Demand exists for the services, and Congress has now authorized the VCS to provide such services. Taking advantage of the provisions of P.L 100-322 will make use of available space at the centers, and will benefit both employer and employee.

Mr. Chairman, we recognize that a lot of work must be done in order that the provisions of P.L. 100-322 be carried out. We are prepared to work with the new acting director of the Office of Child Care Services, Mr. Duvall, in quickly and thoroughly implementing the provisions of the statute and working on the regulations necessary to achieve the goal of supplying quality affordable child care to the children of VA employees. If the VA is to become more competitive for health care professionals it must provide a more competitive benefit package including child care.

Mr. Chairman, in the proposed regulations that were published in the Federal Register on December 27 of last year, we would like to call attention to one section which could result in some difficulties. Under part F, entitled "Child care charges", the proposed regulations indicate that the VCS can take into account the costs incurred in establishing the facility in determining the rates for service. We have documented some of the difficulties that our Martinsburg local, for instance, encountered in their efforts to provide child care services. This project was never able to take off because the employees would have to absorb the building renovation costs up front. We believe that it would be ironic if, after the Congress has acted to alleviate this situation, the new regulations determine that the employees pay for the renovation and startup costs little by little through high tuition rates.

Because the NAGE believes that the importance of child care services will only continue to grow in the future, we would like to take this opportunity to make some recommendations in order to realize the promise embodied in the statute quickly. We would advocate the creation of a National labor/management committee to explore and facilitate the creation of child care facilities. With cooperation from the VA, much of the work that employee organizations have done could be applied more effectively. In addition, we would advocate the creation of a Veterans' Administration Grant Program to assist medical center facilities who undertake such a project. This grant, which we would recommend be $20,000 per applicant, could be used to defray start-up costs. Our locals report that it is almost always the lack of funding, and not employee support, that has prevented on-site child care facilities from becoming a reality. A grant to each VMAC would cost only $3.4 million and would greatly facilitate the expeditious development of day care facilities throughout the VA. This $3.4 million would be a cost effective expenditure which would result in productivity earnings many multiples greater than the expenditures.

Thirdly, we would recommend the creation of flexible spending accounts which employees could earmark to pay for child care expenditures. Flexible spending plans confer considerable tax advantages by allowing payroll deductions which are tax-free. Encouraging employees to contribute to these plans helps to budget their expenditures on child care and secures a financially advantageous way to do so. These accounts are currently available in the private sector but are not available in the VA.

Finally, we would recommend that prior to submitting its budget for the VA and VMAC's, that each medical director be required to consult with local employee representatives on the needs of child care initiatives at the particular medical centers. Because it has been the employees who have thus far shouldered the responsibilities of establishing on-site child care, we feel that it is important that their view be solicited for future initiatives. This requirement would establish a legislative framework for local labor/management cooperation on child care which would facilitate the expeditious development of local on-site care facilities.

Once again, Mr. Chairman, I applaud you for conducting this oversight hearing, and I pledge to you our support in carrying out the provisions of P.L 100-322 to establish quality, affordable child care services at VA medical centers across the country.

STATEMENT
OF
C. DALE DUVALL
ACTING DIRECTOR, VETERANS CANTEEN SERVICE
DEPARTMENT OF VETERANS' AFFAIRS
BEFORE THE
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
JULY 11, 1990

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here this morning to discuss VA's efforts to provide child care services to our employees. This is an important matter for the Department, and we welcome the opportunity to discuss VA child care programs.

BACKGROUND

The history of child care as a tool for VA staff retention and improved employee relations goes back many years to 1977, when the first center was opened for employees' children at the North Chicago VA Medical Center. Since then, centers have opened in a number of other facilities throughout the country. The older child care centers in the system are, for the most part, operated by independent VA employee groups to whom VA has leased space. This leasing approach was used because until quite recently, VA lacked legal authority to operate child care centers on its own. In recent years, however, Congress has acted to remedy that situation and provide needed legal authority.

By early 1988, VA officials were receiving an ever increasing number of inquiries about child care services in the workplace. Also, in its efforts to recruit employees, particularly in health-care professions, the Department found itself competing with an ever growing number of hospitals that offered their employees child care services. VA, therefore, began to focus more closely on the issue. In April 1988, VA's Office of Personnel and Labor Relations was asked to give centralized direction to VA's child care effort, and act as a liaison with other Federal agencies involved in child care, particularly GSA. Soon thereafter, a VA Working Group on Child Care was formed whose goals included developing a VA policy on child care and learning what child care efforts were already underway. In 1989, the Working Group undertook a major effort to survey VA facilities to obtain information on existing and planned child care centers at VA facilities, and to learn of any child care referral services already in place. The survey has provided us with much valuable information.

CANTEEN SERVICE EFFORTS

With the enactment of Public Law 100-322 in 1988, Congress recognized the importance of child care benefits for employees, and the need to provide VA with new legal authority for that purpose. That law added section 4209 to title 38, United States Code, directing that Veterans Canteen Service provide for the operation of child care services in VA facilities, where practicable in light of employee demand and within available space.

This law has the effect of "freeing" VA employee-parents from having to undertake the arduous and very time consuming task of organizing and operating child care centers. Significantly, though, the law directs that there be parent participation in setting and implementing policy for each child care center.

Although VCS has been successful in establishing our first child care center at the VA Medical Center in Danville, Illinois, limitations in the enabling legislation have made it difficult to open additional centers. For example, the law requires that Canteen Service child care centers must be operated in "surplus" space in VA facilities. Unfortunately, surplus suitable space often does not exist. Although a hospital may have substantial ground on which to build, the law does not authorize construction of new space for a child care center. Section 4209 also does not appear to permit the Canteen Service to enter into an arrangement with other Federal entities to jointly pay for and operate child care facilities. Such joint efforts may be a very practical and perhaps the only way to make a child care center economically viable.

Perhaps our greatest problem has been with the source of funding for the centers. The law precludes the use of the medical care account without reimbursement for the cost of converting space into a child care center, and most other start-up costs for centers, thereby placing a potential burden on the Canteen Service Revolving Fund, which simply does not contain sufficient monies to pay for many centers. In many instances, medical centers would like to help fund new centers, but are precluded from doing so by law. To rectify this problem, we have proposed legislation this year to permit VA medical centers to use their funds for establishing the needed centers, which the Canteen Service would then operate. This provision has been introduced in the Senate as section 6 of S. 2456.

Despite these difficulties, we will continue to move forward on the formation of Canteen operated child care centers.

GSA AUTHORITY FOR PROVIDING CHILD CARE

Mr. Chairman, as you may know, Government-wide authority exists for departments and agencies to establish child care centers. This authority, commonly referred to as the "GSA authority," or the "Trible Amendment," (40 U.S.C. § 490b) permits Departments to allot space in Federal buildings, if such space is available, for the creation and operation of child care centers. GSA recently proposed regulations to implement this law, and we are studying whether it may be possible for VA to use this authority in those situations where it is impracticable for the Canteen Service to provide child care services. The GSA authority also permits two or more Federal departments or agencies to jointly operate a child care center, and we believe this presents possibilities for VA in those places where the Canteen Service is unable to provide services.

ENHANCED USE

Mr. Chairman, I would like to close by highlighting an exciting new VA proposal which could promote the creation of child care centers at VA facilities, and foster better and fuller use of VA facilities and adjoining property. The proposal would authorize what we have referred to as "enhanced use" of VA property, and we have proposed legislation to accomplish it. Our bill has been introduced in the Senate as S. 2532. This bill, if enacted, would authorize the Secretary to enter into long-term agreements with public or private sector entities to permit enhanced use of VA property to benefit both parties. For example, a private entity might enter into an agreement with VA to build a child care center, a parking garage, or an office building on VA property, or convert existing VA space into a child care center. In return, VA would receive child care services, nursing home services, or parking services. Enhanced use could be particularly helpful in fostering the provision of child care in that we might make unimproved property available to a group child day care provider for construction of a child care center. The agreement might, for example, provide that 50% of the places in the center be reserved for VA employees, and/or that they will receive a discount on fees.

I will not take the time now to detail our proposed legislation, but would just say that it is a well thought out proposal with protections built in to assure that VA property is appropriately used, and to assure that the Veterans Affairs Committees of Congress are consulted before VA enters into any agreement.

Mr. Chairman, this concludes my testimony. My colleagues and I would be pleased to respond to any questions.

VA CHILD CARE SERVICES SURVEY

Executive Summary

July 1990

To assess the current status of child care services in the Department of Veterans Affairs (VA), VA Circular 00-89-29, dated September 27, 1989, transmitted a survey to all VA facilities to be returned by October 31, 1989. A copy of the VA Circular and child care services survey appears as Appendix A.

General Results (Survey Part I)

A total of 182 survey responses were returned by VA facilities. The following general information has been extracted from those responses:

- There are 35 operating child care centers serving VA: (12) VA Regional Offices (VARO); (1) VA Data Processing Center (DPC); (21) VA Medical Centers (VAMC), and (1) VA Outpatient Clinic.
- Of the 22 child care centers serving VA medical facilities, one (VAMC Danville, Illinois) has been established under the provisions of Public Law 100-322, the Veterans Canteen Service (VCS) legislation.
- The child care centers serving the VAROs and the VADPC were set up through the General Service Administration (GSA) under the provisions of the Trible Amendment.
- Forty-seven VA facilities responded that they planned to establish a child care center, based upon the level of interest/need of their employees obtained from survey. (43 VAMCs, 4 VAROs).
- Thirty-eight VA facilities responded that there was little or no employee interest in child care services.
- Eight VA facilities indicated that they are providing resource and referral services for employees who have child care needs.
- Sixty-six VA facilities indicated that they had not yet surveyed their employees regarding the need for child care services.

Executive Summary for VA Child Care Services Survey Continued.

Information on Current Child Care Center Operations (Survey Part II)

It should be noted that not all of the 35 operating child care centers returned a survey questionnaire. Also not all respondents answered each survey question. Therefore, the information appearing below will not necessarily provide a complete profile of current child care center operations within VA.

- Twenty-nine child care centers responded that they were sponsored by non-profit organizations; one replied that GSA sponsored their center. (Total responses - 30.)
- Twenty-six centers are operated by non-profit organizations, while two are operated by private for-profit organizations. (Total responses - 28.)
- Funding sources for center start-up costs were: employee fundraising activities (13); other sources, such as: loans, private donations, employee contributions, YMCA, United Way, grants, contractor, other Federal agencies (15); GSA (10); and VA facility (5). (Total responses - 26; some centers cited multiple funding sources.)
- Fifteen child care centers are currently located on VA premises; one is off-VA premises and eleven centers are located in GSA-owned or leased facilities. (Total responses - 27.)
- Hours of operation vary from center to center. The earliest opening time is 5:45 a.m. The latest closing time is 6:30 p.m. Most centers are open at least eleven hours. (Total responses - 29.)
- The survey reported that a total of 1647 children are enrolled in these child care centers. (Total responses - 29.)
- Twelve centers responded that there is no set percentage of enrollment for children of VA employees, but VA employees have priority for enrollment spaces. Twelve centers replied that spaces are allotted for children of VA employees, ranging from 12% to 100%. (Total responses - 24.)
- Staff employment is reported to be 238. (Total responses - 25.)
- Of the twenty-six centers responding, only nine indicated that scholarships or tuition assistance were available.

Executive Summary for VA Child Care Services Survey Continued.

- Meals/snacks are provided by the staff at 19 of the child care centers that responded; by a contractor at 11 centers, and by the parents of the children enrolled at 8 centers. Note that some centers provided multiple responses to the survey question on meals preparation.

- Average annual operating receipts for all centers that responded were estimated to be $209,027. (Total responses - 20.)

- Average annual operating expenses for all centers that responded were estimated to be $196,686. From survey responses it was noted that three centers appear to be operating in the red. (Total responses - 20.)

Information on Proposed Child Care Centers (Survey Part III)

Forty-seven VA facilities completed Part III of the survey, indicating that they planned to establish a child care center, based upon the needs of their employees. The following data was extracted from their responses:

- It is estimated that these centers will provide child care for approximately 4000 children.

- Fourteen facilities identified a planned/proposed start-up date for the opening of their center in 1990, three in 1991, and one in 1992.

- Three facilities indicated that their centers would be located in GSA owned or leased buildings. Thirty-four facilities have identified possible space on VA premises for a child care center. The remaining survey respondents did not answer this question.

- According to the survey, fifteen of the proposed centers will be sponsored by non-profit organizations; nine by an employees' associations, co-operatives, and nine by other sponsors, such as the Federal Executive Association, a non-profit consortium, or the Veterans Canteen Service. The remaining survey respondents did not answer this question.

- At the time of the survey, only three facilities had identified a proposed child care provider.

- Most respondents indicated that they will need facility support and employee fundraising activities to fund start-up costs.

Prepared by: Office of Personnel and Labor Relations
Employee Benefits and Assistance
Programs Division (058C)

TESTIMONY OF

ALLAIRE D. WILLIAMS

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

COMMITTEE ON VETERANS' AFFAIRS

U.S. HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 11, 1990

GOOD MORNING MR. CHAIRMAN, I AM ALLAIRE WILLIAMS, DIRECTOR OF THE OFFICE OF CHILD CARE AND DEVELOPMENT PROGRAMS, GENERAL SERVICES ADMINISTRATION (GSA). THANK YOU FOR THIS OPPORTUNITY TO DISCUSS THE ACTIVITIES AND THE ROLE OF GSA IN THE ESTABLISHMENT OF CHILD CARE CENTERS FOR FEDERAL EMPLOYEES.

THE GENERAL SERVICES ADMINISTRATION BECAME INVOLVED IN THE PROVISION OF CHILD CARE AS PART OF THE FEDERAL QUALITY WORKPLACE INITIATIVE IN 1987. SINCE THEN, GSA HAS BEEN ACTIVE IN ASSISTING FEDERAL AGENCIES TO MEET THE CHILD CARE NEEDS OF THEIR EMPLOYEES.

PRIOR TO GSA'S INVOLVEMENT, 12 CHILD CARE CENTERS WERE OPERATING IN FEDERAL SPACE MANAGED BY GSA. ON JUNE 25, 1990, THE 66TH CENTER ESTABLISHED IN GSA-CONTROLLED SPACE WAS OPENED IN NEWARK, NEW JERSEY.

TODAY, CENTERS IN GSA SPACE HAVE A LICENSED CAPACITY OF APPROXIMATELY 4,350 CHILDREN AND AN OPERATING ENROLLMENT OF APPROXIMATELY 3,220 OF WHICH APPROXIMATELY 2,300 ARE CHILDREN OF

FEDERAL EMPLOYEES. NATIONWIDE, WEEKLY TUITION AVERAGES IN THESE CENTERS ARE APPROXIMATELY $96.00 FOR INFANTS, $79.00 FOR TODDLERS, AND $69.00 FOR PRE-SCHOOLERS. TUITION RECEIVED GOES ENTIRELY TO THE CENTER'S OPERATIONAL COSTS.

GSA IS ABLE TO PROVIDE AGENCIES WITH GUIDANCE NEEDED FOR THE SUCCESSFUL DEVELOPMENT AND OPERATION OF QUALITY CHILD CARE PROGRAMS. A CONTINUING PART OF OUR EFFORT IS TO MONITOR AND EVALUATE THE CHILD CARE PROGRAMS AND ISSUE GUIDANCE AS NECESSARY.

WHERE THERE IS A DEMONSTRATED NEED, GSA'S ROLE HAS BEEN TO ASSIST AGENCIES WITH THE DESIGNATION AND DEVELOPMENT OF SPACE FOR A CHILD CARE CENTER. THROUGH ITS REGIONAL CHILD CARE COORDINATORS, GSA PROVIDES GUIDANCE TO LOCAL FEDERAL AGENCY MANAGEMENT ON THE ENTIRE PROCESS OF ESTABLISHING THE PHYSICAL SPACE FOR A CHILD CARE FACILITY. AS A CENTER'S DEVELOPMENT PROGRESSES, APPROPRIATE GSA OFFICIALS ARE BROUGHT INTO THE PROCESS FOR FURTHER CONSULTATION.

WE HAVE WORKED WITH THE DEPARTMENT OF VETERANS AFFAIRS TO ESTABLISH CHILD CARE CENTERS. THESE CENTERS, LOCATED IN PHILADELPHIA AND HONOLULU, ARE THE RESULT OF A COOPERATIVE EFFORT BETWEEN TWO FEDERAL AGENCIES, IN THIS CASE THE GENERAL

SERVICES ADMINISTRATION AND DEPARTMENT OF VETERANS AFFAIRS, WORKING TOGETHER TO MEET THE CHILD CARE NEEDS OF THE AGENCY'S EMPLOYEES. PRESENTLY, VA IS A PARTICIPANT WITH THE WHITE HOUSE, DEPARTMENT OF TREASURY, AND THE EXPORT-IMPORT BANK IN THE ETABLISHMENT OF A CHILD CARE FACILITY IN WASHINGTON, DC. IN FEBRUARY OF THIS YEAR, RICHARD G. AUSTIN, ADMINISTRATOR OF GENERAL SERVICES, ESTABLISHED THE OFFICE OF CHILD CARE AND DEVELOPMENT PROGRAMS WITHIN THE OFFICE OF THE ADMINISTRATOR TO OVERSEE THE ISSUES THAT AFFECT THE QUALITY AND AVAILABILITY OF CHILD CARE IN THE FEDERAL WORKPLACE.

THE OVERALL GOAL OF GSA'S OFFICE OF CHILD CARE AND DEVELOPMENT PROGRAMS IS TO ASSIST FEDERAL AGENCIES WITH DEMONSTRATED NEEDS TO ESTABLISH AND OPERATE QUALITY CHILD CARE CENTERS FOR THEIR WORKFORCE. DURING THE INITIAL STAGES OF CENTER DEVELOPMENT, THE OFFICE PROVIDES CONSULTATION TO ORGANIZING COMMITTEES AND FEDERAL AGENCIES INCLUDING: 1) EVALUATION OF THE NEEDS ASSESSMENT AND MARKET SURVEY; 2) ESTABLISHING A BOARD OF DIRECTORS; AND, 3) DEVELOPMENT OF THE CHILD CARE PROGRAM. FOR CENTERS IN OPERATION, THE OFFICE SERVES IN A RESOURCE AND NETWORKING FUNCTION ASSISTING THEM IN OPERATING MORE EFFICIENTLY AND EXPANDING THEIR PROGRAMS TO MEET THE WIDE RANGING NEEDS OF TODAY'S FAMILIES. TO THIS END, THE OFFICE HAS PLANNED A NATIONAL TRAINING CONFERENCE FOR CENTER STAFF, FEDERAL AGENCY CONTACTS, AND GSA REGIONAL CHILD CARE

COORDINATORS. THE CONFERENCE BEGINS THIS FRIDAY, JULY 13 AND WILL COVER A WIDE VARIETY OF CHILD CARE TOPICS. IN ADDITION TO THESE FUNCTIONS, THE OFFICE ALSO COLLECTS DATA AND PROVIDES SUPPORT FOR CENTERS.

WE BELIEVE THESE ACTIVITIES STRENGTHEN OUR FEDERAL ON-SITE CHILD CARE PROGRAM AND FACILITATE COMMUNICATION AND COOPERATION AMONG OUR CLIENT AGENCIES. AN IMPORTANT COMPONENT OF SUCCESSFUL CHILD CARE FOR FEDERAL EMPLOYEES IS PARTNERSHIP BETWEEN ALL PARTIES INVOLVED IN THE DEVELOPMENT AND OPERATION OF CHILD CARE FACILITY.

GSA HAS ENTERED A NEW PHASE OF INVOLVEMENT IN THE CHILD CARE NEEDS OF FEDERAL EMPLOYEES. THE COMMITMENT IS TO QUALITY, FROM THE DESIGN AND BUILDOUT OF THE CENTER TO THE FULL AND SUCCESSFUL OPERATION OF THE CENTER. WE TAKE GREAT PRIDE IN THE SUCCESS OF THE CHILD CARE PROGRAM. WE LOOK FORWARD TO IMPROVING THE FEDERAL WORKPLACE AND IMPROVING THE QUALITY OF WORKSITE CHILD CARE.

THIS CONCLUDES MY FORMAL STATEMENT. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MIGHT HAVE.

PVA
PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

August 16, 1990

The Honorable G.V. (Sonny) Montgomery, Chairman
House Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

Please find attached the answer to the additional question in reference to our Subcommittee on Oversight and Investigations hearing on July 11, 1990.

Sincerely yours,
Frank R DeGeorge (DF)
Frank R. DeGeorge
Associate Legislative Director

Attachment

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300 Fax (202) 785-4452

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

QUESTIONS SUBMITTED BY THE HONORABLE BOB STUMP
TO THE PARALYZED VETERANS OF AMERICA
AT THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
JULY 11, 1990
CHILD CARE

Please comment on H.R. 5164, because the bill provides authority which could be applied for child care through private sector providers for DVA employees under the so-called "enhanced use" concept.

H.R. 5164 was introduced by Chairman Montgomery at the request of the Department of Veterans Affairs (DVA). As introduced, this legislation would authorize DVA to enter into "enhanced use" agreements with respect to certain DVA facilities as well as direct disposal of such facilities. By deleting the three year limit on contracts in which DVA may enter into with private sector entities, acquiring services without capital expenditures, and disposing of certain DVA facilities, the Department believes it can more effectively manage its assets, facilities and programs.

In general, Paralyzed Veterans of America (PVA) has several concerns regarding this proposed legislation. Our primary concern involves the inability of DVA to control the quality of services provided to veterans by these entities with which DVA has contracted. In the specific case of child care facilities, once the contract is entered into, DVA would have limited ability to control the quality of child care provided by the facility. Not only is DVA unable to regulate this program but the state also has no authority to regulate child care facilities located on federal property. Thus, a gap remains in the regulation and control of child care facilities maintained by contract on federal property.

The lack of quality control in DVA contracted programs is a concern not only in the area of child care but also in the context of contracted care for veterans. PVA believes the recourse of DVA in such instances has not been adequately addressed in this proposed legislation.

Of further concern to PVA in regard to H.R. 5164 is DVA's ability to dispose of property and facilities through "special distribution." If such legislation were enacted, DVA would be granted the authority to dispose of facilities such as hospitals and clinics, as well as enter into "enhanced use" agreements in which land would be developed and then sold by DVA to corporations.

In this case, DVA is doing nothing but depleting its assets which will be necessary for future expansion, or redevelopment.

In conclusion, Mr. Chairman, the reason for proposing this legislation, as stressed by DVA, is the Department's inability to enter into three year lease agreements with private entities. Since DVA finds the current three year limitation on contracts an impediment to its ability to acquire services needed by veterans, perhaps this particular aspect of Title 38, USC, should be addressed. In the context of H.R. 5146, however, PVA cannot support the concept of "enhanced use" even as an alternative to increase child care centers for DVA employees.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

AFGE

John N. Sturdivant
National President

Allen H. Kaplan
National Secretary-Treasurer

Joan C. Welsh
Director, Women's Department

4a/Child Care

October 16, 1990

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee On Veterans' Affairs
U.S. House of Representatives
Room 335 Cannon House Office Building
Washington, D. C. 20515

Dear Chairman Montgomery:

Following the Subcommittee on Oversight and Investigations hearing of July 11, 1990, you asked me to address these three questions:

1. Using the criteria of availability, cost and quality, how do you rate the VA as a provider of employee child care? Why?
2. How can organizations which represent employees help the VA improve the availability, cost and quality of on-site employee child care?
3. Should child care centers operated in VA leased space, but not operated by the VA, be required to comply with all applicable state and local regulations?

I. VA Child Care.

In response to the first inquiry, I would like to commend the VA for significant progress made in the past two years on providing employee child care. I am happy to report that 36 facilities are now in operation or about to open at VA sites. Obviously, more day care facilities will need to be opened in order for the VA to be a competitive employer. I believe the VA operates some 172 hospitals, not including other large facilities and offices.

Rating the overall performance of the VA on the basis of availability, cost and quality is not possible as each child development center differs from site to site. Tuition at a downtown Philadelphia child care center will be twice the price as exist at a rural Illinois VA facility. Each day care center is typically incorporated into a separate child development center, hires a director who is responsible for the quality of the program, and sets tuition according to the local market rates and expense requirements of that program. However, I think it would be fair to say that the typical VA child care center provides relatively high quality care at a relatively competitive price in the market in which it operates, despite the fact that unsubsidized child care costs are too high for working parents. Indeed, the costs of placing 2 children in child care (even the relatively-good VA child care, if available) would be almost prohibitive for many working parents.

II. The Union's Role.

The biggest problems facing an employer, like the VA, who wishes to provide more low cost quality on-site child care are space and money. Often, the VA facility does not have adequate available space to allocate to a new child care center. Due to overall budget constraints, a federal agency is hard-pressed to find the start-up money needed to permit a new child care center to develop.

How can a union contribute to the solution of the problems of space and money? The answer includes perhaps a greater commitment by union leaders to pursue space allocation, alternate funding sources, possibly even union-sponsored scholarship funds. However, nothing the union can do will compare to the benefits of legislative support, such as the ABC Child Care bills that the House-Senate conferees are due to report back to Congress for final passage before sending the conference report to the White House for approval.

III.State Requirements.

Yes, child care centers operating in VA leased space need to comply with all applicable state and local regulations. I believe that these centers, often incorporated organizations subject to various licensing, zoning and other regulations, have an obligation to comply with all applicable state and local regulations, unless individual waivers are obtained.

In the past, some centers have compromised in selecting locations such as unused church basements or other inaccessible facilities that have required the approval of waivers regarding handicap accessibility laws and the like. I feel strongly that any child care facility connected to VA and VA employees should comply with all accessibility requirements and other local regulations because of the rehabilitative mission of the VA and the model role of a government agency employer.

I hope I have responded fully to your concerns.

Sincerely,

John N Sturdivant

John N. Sturdivant
National President

HEARING ON
DVA CHILD CARE CENTERS AND EMPLOYEE CHILD CARE SERVICES

NATIONAL FEDERATION OF FEDERAL EMPLOYEES RESPONSES TO QUESTIONS SUBMITTED BY CONGRESSMAN LANE EVANS

1. Using the criteria of availablility, cost and quality, how do you rate the VA as a provider of employee child care? Why?

It has been our expericence that the VA has been very slow to work with its employees to establish on-site child care centers. The presence of such facilities at VA medical centers is the exception and not the rule. However, we believe that the VA has the potential to be an exemplary provider of child care services. Our experience at the Northport VA medical center has been very positive: the staff is highly trained, class size is small and costs are low. At this time, however, the majority of VA centers fall far short of this standard as most do not even have on-site child care centers, much less model ones.

2. How can organizations which represent employees help the VA improve the availability, cost and quality of on-site employee child care?

At the present, seeking congressional support and intervention is the only way in which employee organizations can help VA employees establish on-site child care centers. In the future, child care issues should be made an integral part of the bargaining process. Child care has become such an important issue to working families that many people accept or reject job offers based upon the availability of on-site day care facilities. The federal government could possibly reduce much of its recruitment and retention problem by providing such facilities to its employees.

3. Should child care centers operated in VA leased space, but not operated by the VA, be required to comply with all applicable state and local regulations?

Most states have devised stringent guidelines for the operation and licensing of child care centers and operators. These guidelines, for the most part, have been developed with the safety of the child in mind. We see no reason why centers operated on VA leased space but not by the VA should be exempt from the appropriate state or local regulations.

NOVA NURSES ORGANIZATION OF VETERANS AFFAIRS
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Hearing on
DVA Child Care Centers & Employee Child Care Services
July 11, 1990

Questions for the Record
To Bette Davis, RN MS
Legislative Director
Nurses Organization of Veterans Affairs

Questions Submitted by the Honorable Bob Stump

1. Please comment on H.R. 5164, because the bill provides authority which could be applied for child care through private sector providers for DVA employees under the so-called "enhanced use" concept.

Answer:

NOVA supports the concept contained in H.R. 5164, which would authorize the Secretary to enter into "enhanced-use" agreements for the use and disposition of designated VA facilities, by special disposition. As we stated in our testimony, despite the enactment of PL 100-322, which authorizes the VA to establish child care centers at VA facilities through the canteen service, few centers have actually been opened.

If H.R. 5164 was enacted, the VA would be allowed to contract with non-VA entities for the renovation or construction of space, which could be designated for the provision of child care services. For example, the D.C. does not have space within its existing facility for child care services. However, on-site land is available for construction of a semi-permanent building, such as modular housing, which could be used as a child care center. In the case of the D.C. VAMC, the center would be within walking distance of four medical centers.

Pooling resources for the construction and operation of child care centers could also result in a more flexible program to serve the special needs of VA nurses. VA nurses have varied work schedules, including evening and night shifts, compressed work schedules and weekend and holiday obligations. Effective and appropriate utilization of child care services by VA employees will require that they be tailored to meet the special needs of this very diverse population. NOVA also cautions that space needed for patient care not be compromised.

Questions Submitted by Congressman Lane Evans

1. How can organizations which represent employees help the VA improve the availability, cost and quality of on-site employee child care?

Answer:

Organizations representing employees of the VA can, and should, help the VA to improve and promote on-site employee child care. As the sole organization representing VA nurses, we feel an obligation to participate in public forums, such as this one, on all issues affecting the quality of care for veterans and impacting our working environment.

The local representation of national organizations is adept in recognizing the specific needs of each facility. If employees are adequately represented in the decision-making process, the cost of child care will reflect what is affordable, hours of operation will more adequately reflect need, and the eligible population will be appropriately defined. Programs will suffer without local input from individual and organizational networks. Local NOVA chapters could assist in this effort by helping to gather data, define goals and disseminate information.

On the national level, NOVA serves as an advocate for additional support services. Our grassroots effort could be very effective in promoting a sick child program, designing flexible employee benefit packages that include child care options, and defining payment plans that assist VA nurses in paying for care. We also advocate the passage of comprehensive child care legislation, regulation and appropriations for child care in the federal workplace.

2. Should child care centers operated in VA leased space, but not operated by the VA, be required to comply with all applicable state and local regulations?

Answer:

Yes. If the VA accepts its responsibility to provide child care services for its employees, every step should be taken to ensure the welfare of those children. This program should serve as a national model. Clear guidelines for providing and monitoring care should be defined for each center, based on state and local regulation, and employees should be informed of their rights and a center's obligation.

AMERICAN NURSES ASSOCIATION RESPONSE TO QUESTIONS SUBMITTED ON DVA CHILD CARE CENTERS AND EMPLOYEE CHILD CARE SERVICES HEARING, JULY 11, 1990

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1. HOW CAN ORGANIZATIONS WHICH REPRESENT EMPLOYEES HELP THE VA IMPROVE THE AVAILABILITY, COST AND QUALITY OF ON-SITE EMPLOYEE CHILD CARE.

The American Nurses Association (ANA) supports all advocacy efforts to increase affordable on-site dependent care in the Department of Veterans' Affairs (DVA). Successful strategies have included the formation of employee parent groups to explore dependent care options and form cooperatives that initiate dependent care facilities. Organizations can provide, in conjunction with the DVA, technical and resource information regarding state requirements as well as identify potential funding sources.

2. SHOULD CHILD CARE CENTERS OPERATED IN DVA LEASED SPACE, BUT NOT OPERATED BY THE DVA, BE REQUIRED TO COMPLY WITH ALL APPLICABLE STATE AND LOCAL REGULATIONS.

Yes. In many federal government buildings, the government provides space and utilities, but the actual dependent care facility is run by a private sector corporation or is a cooperative enterprize. State and local regulations governing child care centers have been implemented in order to ensure the safety and well-being of the child in a facility. No dependent care facility, regardless of whom runs the facility, should be exempt from these regulations.

NAGE SEIU
NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES
AFFILIATED WITH SERVICE EMPLOYEES INTERNATIONAL UNION, AFL/CIO
1313 "L" STREET, N.W., WASHINGTON, D.C. 20005
202/371-6644

August 14, 1990

Honorable G.V. (Sonny) Montgomery
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
335 CHOB
Washington, D.C. 20515

Dear Chairman Montgomery:

In response to your letter of July 18, 1990, requesting answers to additional questions regarding the Subcommittee on Oversight and Investigations hearing of July 11, 1990, enclosed are the answers provided by Edward Murphy.

Sincerely,

Kenneth T. Lyons

Kenneth T. Lyons
National President

Responses of Edward Murphy
Legislative Director
NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES
to additional questions submitted by
Congressman Lane Evans
during a hearing on
DVA Child Care Centers and Employee Child Care Services
on July 11, 1990

Question #1--submitted by Congressman Evans

HOW CAN ORGANIZATIONS WHICH REPRESENT EMPLOYEES HELP THE VA IMPROVE THE AVAILABILITY, COST, AND QUALITY OF ON-SITE EMPLOYEE CHILD CARE?

We believe that employee participation is a crucial aspect in establishing child care services at the VA. At the child care centers established at medical centers at which we represent employees, employee dedication was the only way for child care centers to be established, because before P.L. 100-322, the VA was prohibited from taking an active role in the development of such services. Employee organizations, therefore, were at the forefront in the planning, development, and implementation of services. Although the VA is now able to take a more active role, the role of employee organizations will still be paramount. Of course, cooperation between these organizations and the medical center director is crucial to success. First of all, employee organizations serve as a reservoir for ideas concerning the demand for child care services. Child Care Task Forces have been successful in evaluating the obstacles to overcome in creating child care facilities. The existence of these task forces helps to galvanize demand for the program and will increase availability as the VA takes a more active role in responding to the problems associated with on-site child care services. In preparing this testimony, we spoke to a number of the child care providers at VA facilities. Each one said that without the assistance of the employees and employee organizations which donate their time and services, the center might not be able to continue. The skilled employees who donate their time to help with the day-to-day problems are invaluable to the center. In turn, as employees and their organizations take an active interest in their facility, the quality of service improves.

Question #2--submitted by Congressman Evans

SHOULD CHILD CARE CENTERS OPERATED IN VA LEASED SPACE, BUT NOT OPERATED BY THE VA, BE REQUIRED TO COMPLY WITH ALL APPLICABLE STATE AND LOCAL REGULATIONS?

Child care centers that are operated on VA leased space should be required to comply with all applicable state and local regulations. The purpose of establishing on-site child care at the VA is to provide an additional benefit to employees. We believe that this will result in reduced sick leave, emergency annual leave, and increased productivity; in short, it is in the employee's and employer's interest to do so. Parents using VA services want convenience and reliability--on-site child care provides convenience, and compliance with state and local regulations provides adequate safeguards. Of course, there may be special situations that warrant exceptions to the regulations. For example, because many VA employees work rotating and staggered shifts, a child care center licensed for a certain number of kids could have more during the course of the day (as personnel pick up or drop off their children) as long as they do not exceed the ceiling at any one time. Unless specific situations which benefit employer and employee exist, we recommend that all state and local regulations regarding child care be followed on VA property as would be the case off VA property.

Responses of Edward Murphy
Legislative Director
NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES
to additional questions submitted by
Congressman Bob Stump
during a hearing on
DVA Child Care Centers and Employee Child Care Services
on July 11, 1990

Question #1--submitted by Congressman Stump

PLEASE COMMENT ON H.R. 5164, BECAUSE THE BILL PROVIDES AUTHORITY WHICH COULD BE APPLIED FOR CHILD CARE THROUGH PRIVATE SECTOR PROVIDERS FOR DVA EMPLOYEES UNDER THE SO-CALLED "ENHANCED USE" CONCEPT.

As the committee is aware, "enhanced use" would authorize the Secretary of Veterans' Affairs to enter into long-term agreements with public or private sector entities to permit enhanced use of VA property to benefit both parties. In S.2100, as reported out by the Senate Veterans' Affairs Committee, the number of enhanced use leases is limited to 30 for the pilot program. However, the Committee included an exception for those arrangements which provide for child-care services because of their high priority. Insofar as the enhanced use agreements would increase the number of DVA facilities with child care, we support the concept; however, we would like to make sure that the interests of both the VA and its employees are protected in these arrangements. If enhanced use agreements are used to construct child-care facilities, we believe that the children of VA employees should be given priority placement in the program. In addition, there should be consideration of tuition reduction. To allow enhanced use agreements to construct child care facilities that are then inaccessible to VA employees by either exorbitant price or not enough slots would undermine the purpose of enhanced use agreements. We would also be concerned that enhanced use leases could jeopardize the VA's ability to control the level of services provided. We understand that the Senate bill S. 2100 altered the requirements of the original Administration bill regarding notification of intent to enter into an enhanced-use agreement; we support these changes over the original language. We believe that a thorough analysis, a public hearing, a notice in the Federal Register, and at least 90 day notice to the Congressional Committees will act as a safeguard.

H.R. 5164 provides that construction, alteration, repair, remodeling, improvement, or extension be applicable to standards of construction for Federal buildings and "shall not be subject to any State or local law relating to building codes, permits, or inspections." However, once the child care facility is constructed, we believe that child care centers established through enhanced use agreements be subject to state and local licensing regulations (see response to Question #2 submitted by Congressman Evans).

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

AUG 24 1990

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the responses to questions submitted by Representatives Lane Evans and Bob Stump following the Subcommittee on Oversight and Investigations' July 11, 1990, hearing on DVA child care centers and employee child care services. A copy of the responses has been provided to Representatives Evans and Stump.

Sincerely yours,

Edward J. Derwinski

Edward J. Derwinski

Enclosures
EJD/flc

QUESTIONS SUBMITTED BY CONGRESSMAN LANE EVANS
TO MR. C. DALE DUVALL
ACTING DIRECTOR
DVA VETERANS CANTEEN SERVICE

HEARING ON
DVA CHILD CARE CENTERS & EMPLOYEE CHILD CARE SERVICES
JULY 11, 1990

Question 1. Witnesses appearing before the Subcommittee identified several VA medical centers at which employees have tried for years without success to establish on-site child care. How will you assist these employees who have demonstrated a continuing interest in on-site child care?

Answer. We consult with employees and management at VA facilities where interest in providing child care services is expressed. After data is gathered at the local level, the Department explores all possible means of acquiring affordable child care services for the employees at that location. In the analysis of the best possible means of obtaining child care services, the Department considers (a) the availability of land and suitable space, (b) the level of demand for child care services within VA, the local Federal work force and the local community, and (c) funding sources.

Question 2a. Should the VA provide financial assistance to employees for child care?

Answer. We believe that if assistance were provided for start-up costs, there may be less need for financial assistance for employees. Also, scholarships are provided in some child care centers to help lower graded employees defray expenses. These scholarships are generally provided out of funds raised by sponsoring organizations.

Question 2b. Which employees should be provided financial assistance for child care and how much financial assistance should be provided?

Answer. We would anticipate a number of problems if VA were authorized to provide direct financial assistance to some employees for child care, including:

(1) If this "benefit" were limited to VA employees who have child care expenses, it may be viewed as inequitable to other VA employees who do not receive a similar level of compensation.

(2) If legislation providing for financial assistance for child care were limited to VA employees only, this "benefit" would be an addition to salary not available to non-VA Federal employees.

(3) A program to disburse financial assistance to VA employees would be difficult and costly to administer.

(4) Determining eligibility for assistance if limited to only those most in need would require reviewing personal financial information not normally provided to the employer. This may be considered intrusive by employees. Providing assistance to all employees to avoid this would be too costly.

Question 3a. Will VA child care centers be affordable for all employees or only higher income employees like professionals?

Answer. VA will endeavor to obtain high-quality child care services for all VA employees.

Question 3b. How will affordable child care for all employees be achieved?

Answer. The costs of child care user fees are affected by such constraints under current law as the requirement of 38 U.S.C. Sec. 4209 that VCS reimburse the VA facility for space conversion costs. Additionally, user fees are related to the quality of services obtained, local market conditions (including demand for services) and state and local regulations on the operations of child care centers. It is the Department's intention to acquire the most cost-effective, quality child care services. VA will encourage local employee groups and unions to establish employee child care assistance programs such as scholarships and financial aid.

Question 4a. The third page of your statement refers to the requirement for parental participation in establishing and implementing child care center policy. In your opinion, is less parental participation in establishing and implementing child care center policy desirable? Why?

Answer. When child care services are provided through contract, the role of parents is defined in the contract. In the child care industry as a whole, as well as in 38 U.S.C. Sec. 4209, the role is given to a parent advisory group to assist in establishing and, once the center is in operation, to provide oversight of the child care policy implementation.

Question 4b. What change(s), if any, would you recommend in this requirement for parental participation?

Answer. We believe parent participation is important to the operation of an effective child care center. It is appropriate that the community standards, as generally represented by the parent advisory group, be taken into account in the initial development of policies; therefore, no change is recommended.

Question 5. What are the child care goals and objectives of the Veterans Canteen Service? The Office of Child Care?

Answer. The Office of Child Care, a unit of the Veterans Canteen Service (VCS), reflects and administers the goals and objectives of the Canteen Service as they relate to the provision of child care as provided in 38 U.S.C. Sec. 4209 (see Attachment 1). The VCS Office of Child Care also assists in a Department initiative to facilitate child care center development under other authorities in instances where it is not practicable or not in the best interests of VA to establish a center under 38 U.S.C. Sec. 4209.

Question 6. If VA employees want an on-site child care center established, what should they do?

Answer. Until VA regulations and policies are issued and labor obligations are met at the national level, we will continue to work with VA facilities on an individual basis when they make their interest known to us. Please see response to question 1.

Question 7a. How many VA facilities without an on-site child care center lack sufficient space for a center?

Answer. While the survey did not query this issue, based on responses to other questions in the survey, the following VA facilities have indicated that they lack sufficient space in existing buildings for a child care center:

VA Medical and Regional Office Center, Cheyenne, Wyoming
VA Medical Center, Altoona, Pennsylvania
VA Medical Center, Denver, Colorado
VA Medical Center, Durham, North Carolina
VA Medical Center, Madison, Wisconsin

In addition, contacts with VCS have identified seven other VA medical centers which lack sufficient existing space to house the centers:

Nashville, Tennessee
Palo Alto, California
Phoenix, Arizona
Tampa, Florida
Washington, DC
West Haven, Connecticut
Wichita, Kansas

Question 7b. How will you establish a center at these facilities?

Answer. Where it is determined to be impracticable to establish a center under 38 U.S.C. Sec. 4209 because of a lack of sufficient existing space, the Department will explore all available authorities in order to determine the most appropriate and cost-effective method of providing child care services at a particular location. Under the proposed "Enhanced-Use" legislation (S. 2532), a center could be established on unimproved VA land, with the size thereof being based on the VA facility requirements and the cost efficiency of the proposal.

Question 8a. In addition to day care centers, what types of child care assistance are currently being provided to employees by the VA?

Answer. Based upon survey results, a number of VA facilities are providing resource and referral services to employees who need child care services.

Question 8b. At how many VA facilities are these other child care services offered to employees?

Answer. The survey indicated that the following VA medical centers provide child care resource and referral services:

Chicago (Lakeside), Illinois
Columbia, Missouri
Fort Wayne, Indiana
Miami, Florida
San Antonio, Texas
Tampa, Florida
West Los Angeles, California
Wilkes-Barre, Pennsylvania

Question 9a. The Veterans Canteen Service is authorized to provide child care services directly or by contract. Which is the most likely means of providing child care services? Why?

Answer. The most likely means that the VCS will undertake to provide child care services is by contract. Operation of a child care center requires dedicated, on-site management. Direct management by VCS could not be accomplished without building a large and expensive headquarters staff. As discussed herein, the Department has proposed "Enhanced-Use" legislation which would allow an array of contractual arrangements ranging from leasing of VA property to concession arrangements through which child care services may be obtained.

Question 9b. Will for-profit and non-profit organizations both be eligible to provide day care services under contract with the VCS?

Answer. Yes. The rules governing fairness in competition apply.

Question 9c. Will non-profit and for-profit organizations compete equally for contracts to provide child care services?

Answer. To the extent that the law permits, they are treated equally. It should be noted, however, that under VA general outleasing authority (38 U.S.C. Sec. 5022(a)(1)), certain charges are made to for-profit organizations (i.e., space rental, utilities, etc.) that may be waived in the case of non-profit providers. This situation increases the direct operating costs for a for-profit provider, and those costs presumably are passed on to the VA employee in the form of higher charges for child care services.

Question 9d. For several reasons, child care centers may operate initially at a loss for many months. How long will child care services be provided under a standard contract with the Canteen Service?

Answer. Our experience is that it takes money to equip and to start a child care center. Sponsoring parent groups may raise funds but are not likely to be able to pay the early costs as they are incurred. The duration and terms of a contract for child care services are negotiated. VCS endeavors to negotiate contracts that ensure that each child care center is self-sustaining. Contracts for those centers that can achieve self-sustaining status will be extended in accordance with the law. VCS will be challenged to find effective methods of operation or means of funding costs to make each center self-sustaining. In the event such results prove unattainable, VCS would have no alternative but to discontinue an unsuccessful center. There has not been any decision made on how long VCS would underwrite losses before discontinuing a center that cannot achieve self-sustaining status.

Question 10. Will the hours of operation of child care centers provided by the Veterans Canteen Service either directly or by contract accommodate the various work schedules of VA employees?

Answer. VA will endeavor to obtain, in a cost-effective manner, quality child care services which are responsive to the particular requirements of the facility.

Question 11a. In his testimony, Mr. Murphy recommended the following: Creation of a national labor/management committee to explore and facilitate the creation of child care facilities.

Answer. VA already affords labor organizations holding national consultation rights or exclusive recognition at the national level the opportunity to provide input into the formulation of national policies affecting conditions of employment, such as child care. In addition, management officials at the facility level are obligated to afford local union officials the opportunity to negotiate prior to the implementation of local child care policies. These processes provide ample opportunity for the labor organizations to raise matters of interest or concern related to this issue.

Question 11b. Creation of a VA grant program to assist medical center facilities defray child care facility start-up costs.

Answer. The various legal authorities which now permit the Department to make child care services available to VA employees all allow provision of space and other services, such as utilities, at minimal, if any, cost. Providing space and services in that fashion is a child care subsidy and might be considered a grant of sorts, like that proposed by Mr. Murphy. This type of VA "subsidy" can be significantly strengthened by the passage of

Sec. 6 of S. 2456 which would permit the medical center to use the medical care account to fund the costly conversion of space to child care facilities without reimbursement by VCS as currently is required under 38 U.S.C. Sec. 4209.

Question 11c. Creation of a flexible spending account which employees could earmark to pay for child care expenditures (tax-free payroll deductions).

Answer. Flexible spending accounts limited to child care may not be viewed as equitable by VA employees without such needs. In addition, we were advised by the Office of Personnel Management (OPM) that with the passage of law to close the double deduction loophole between flexible spending accounts for child care and the child care tax credit, such programs do not benefit large numbers of affected employees. Evidently OPM-DOL (Department of Labor) research into this type of program revealed that:

(1) Private sector participation rates were very low, even before the closing of the loophole.

(2) The required anti-discrimination standard would be difficult to overcome. Such programs were found to be advantageous only to those employees making more than about $28,000 per year in 1988.

(3) The start-up and continuing administrative costs would be substantial.

Question 11d. Required medical center director consultation with local employee representatives on child care needs.

Answer. Please see response to question 11a.

Question 12. Should child care centers operated in VA leased space, but not operated by the VA, be required to comply with all applicable state and local regulations?

Answer. Child care centers established under 38 U.S.C. Sec. 4209 must comply with all state and local laws, ordinances and regulations relating to health and safety and the operation of the child care centers. Regarding child care centers established under VA general out-leasing authority (38 U.S.C. Sec. 5022) and under the so-called GSA authority (40 U.S.C. 490(b)), the Department fully supports GSA's recommendations that proposed operators be licensed in accordance with state and local laws.

Attachment 1: Veterans Canteen Service, Office of Child Care,
Mission and Goals

ATTACHMENT 1

VETERANS CANTEEN SERVICE
OFFICE OF CHILD CARE
MISSION AND GOALS

Mission Statement

Provide policy and program support to VA facilities requesting that a child care program be established in space provided by a VA facility under the authority provided in 38 U.S.C. Sec. 4209.

Goals

- Provide management and guidance to field facilities
- Emphasize service aspect of VCS
- Establish child care centers
- Serve as VCS Central Office program manager for VCS child care programs
- Administer child care contracts
- Develop prototype solicitation document
- Arrange for quantity purchase discounts for child care furniture, equipment and supplies
- Establish child care information clearinghouse
- Enhance the professionalism of child care staff
- Develop space criteria for renovation/construction of VA child care centers

QUESTIONS SUBMITTED BY HONORABLE BOB STUMP TO THE DEPARTMENT OF VETERANS AFFAIRS AT THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
JULY 11, 1990
CHILD CARE

Question 1. On Page 4 of your statement, you state that the law precludes the use of the medical care account without reimbursement for the cost of coverting space into a child care center, and most other start-up costs for centers, thereby placing a potential burden on the Canteen Service Revolving Fund. If reimbursement to the medical care account were authorized, what costs would be covered?

Answer. Under 38 U.S.C. Sec. 4209, a VA medical center, using funds from the medical care appropriation, can provide services and amenities for a child care center that are necessary for the health and safety of the children. Health and safety measures might include installation of toilets and sinks, air conditioning, hand rails on stairs and smoke alarms. The Canteen Service Revolving Fund must be used to pay for all other costs of converting space in a VA facility into a child care center and for the administrative start-up costs of actually establishing the center. VCS costs might include such things as remodeling and decoration of the space, including painting, carpeting and construction of small rooms out of a larger space. However, if a medical center has a carpenter shop or a paint shop, those shops could be used to perform the painting or remodeling for Canteen Service, provided that VCS reimburses the medical care appropriation for the cost of those services from funds in the Canteen Service Revolving Fund and makes such reimbursement in the same fiscal year.

Question 2. On Page 4 of your testimony, you state that Section 4209 does not appear to permit the Canteen Service to enter into an arrangement with other Federal entities to jointly pay for and operate child care facilities. In which DVA medical facilities might such authority enable the VCS to provide child care?

Answer. The facility which first comes to mind is Roseburg, Oregon. At Roseburg there are other Federal entities which have signed a Memorandum of Understanding to establish a jointly operated child care center to the benefit of all the groups. As we read the current authorities for establishing child care programs, VCS would not be permitted to participate in this or similar ventures.

Question 3. On Page 2 of your testimony, you state that the DVA finds itself competing with an ever-growing number of hospitals offering child care services. Which VA facilities are competing with private hospitals offering child care services?

Answer. Based upon past surveys conducted of VA health occupation staff, a majority of VA facilities (61.1 percent) reported that the lack of day care for children put them at a disadvantage in competition with other medical facilities for registered nurses (FY 1987). In a survey conducted for FY 1988, VA facilities (68.9 percent) reported that the lack of day care for children placed them at a disadvantage in competing with other medical facilities for registered nurses. Similar findings resulted from surveys of other health occupation staff. Data on individual facilities was not compiled for the survey report.

Question 4. You say that surplus suitable space for development of child care centers in DVA facilities often does exist. Please identify VA facilities which cannot develop child care facilities because of space limitations but which desire to do so.

(2)

Answer. While the survey did not query this issue, based on responses to other questions in the survey, the following VA facilities have indicated that they lack sufficient space in existing buildings for a child care center:

VA Medical and Regional Office Center, Cheyenne, Wyoming
VA Medical Center, Altoona, Pennsylvania
VA Medical Center, Denver, Colorado
VA Medical Center, Durham, North Carolina
VA Medical Center, Madison, Wisconsin

NOTE: Of these centers, only the Madison VA Medical Center indicated in the survey sufficient employee interest in a child care center.

In addition, contacts with VCS have identified seven other VA medical centers which have expressed interest in obtaining child day care but noted they lack sufficient existing space to house the centers:

Nashville, Tennessee
Palo Alto, California
Phoenix, Arizona
Washington, DC
West Haven, Connecticut
Wichita, Kansas

General Services Administration
Office of Congressional Affairs
Washington, DC 20405

August 16, 1990

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed are responses to questions received from the Committee following the July 11, 1990, Subcommittee on Oversight and Investigative hearing on "DVA Child Care Centers & Employee Child Care Services."

Thank you for the opportunity to participate in this hearing. If the General Services Administration (GSA) can provide further information on this subject to the Committee, please do not hesitate to contact Ms. Allaire Williams, Director, Office of Child Care and Development Programs at 501-3965, or myself, at 501-0563.

Sincerely,

J. Christopher Brady
Acting Associate Administrator
for Congressional Affairs

Enclosures

ANSWERS TO QUESTIONS SUBMITTED BY CONGRESSMAN LANE EVANS

TO ALLAIRE D. WILLIAMS
DIRECTOR
OFFICE OF CHILD CARE AND DEVELOPMENT PROGRAMS
GENERAL SERVICES ADMINISTRATION

HEARING ON
DVA CHILD CARE CENTERS & EMPLOYEE CHILD CARE SERVICES
JULY 11, 1990

1) Based on GSA experience, how much child care center capacity must be utilized for a facility to be financially viable?

Center capacity, as it relates to center viability, will vary from center to center. We are finding that a center needs an enrollment of 60 or more to be viable. Child care centers in GSA space operate with enrollments on both sides of that figure. Those under 60 need to operate as close to 100% capacity as possible with primary emphasis on ages two through five. Centers with enrollments over 60 have a little more leeway. We would like for our centers to operate at no lower than 75% of capacity.

2) Without the enrollment of children of non-Federal families, would child care centers in GSA controlled space be viable?

It would depend on the percentage of non-Federal versus Federal families. Centers with a higher percentage of Federal families would be less affected by the removal of children from non-Federal families than those centers with a lower percentage of Federal families.

3) What types of complaints does GSA receive concerning the enrollment of children of non-Federal employees?

To our knowledge, there have been no complaints regarding the use of a child care center in GSA space by non-Federal parents. In many instances, the non-Federal parents using the child care center are employed by a contractor to the Federal government and work in the Federal facility served by the center.

4) What are the advantages and disadvantages of providing care to the children of non-Federal employees in child care centers located in GSA space?

One disadvantage of providing child care for children of non-Federal parents is that their employer receives the benefits of on/near site child care without bearing any of the expense. In some cases a single private sector employer is the beneficiary of a nearby GSA spaced child care center. We would like to see more participation by non-Federal employers.

5) How much time is normally required to establish an operational child care center for children of Federal employees?

There are several factors affecting the amount of time required to establish a child care center. The commitment from an agency's top management to release the necessary funding to develop the center's physical space, the condition of the space to be developed, problems encountered during space development, etc. For example, if a decision is made to locate a Federal child care facility in leased space, that had previously housed a child care facility, the center could be operational in as little as 90 days. On the other hand, if the space needs to be designed and rebuilt, it could take several months to develop the space. Our experience has been that some centers have been opened in as little as four months while others have taken a year or longer.

6) What factors are the most important in establishing a successful child care center and what are the most serious obstacles to establishing a successful center?

The level of commitment and support of an agency's top management to the establishment and long term success of a child care center is one of the most important factors. In addition, the establishment of a well-defined intra-agency task force to work through the various stages of center development is crucial. GSA's formula for successful child care operations involves active participation from agencies, their child care center and GSA. Failure of any of the above to participate in center development and operations presents the greatest obstacle to the successful establishment of a center.

7) Witnesses appearing before the Subcommittee identified several VA medical centers at which employees have tried for years without success to establish on-site child care. What advice and assistance can GSA offer to these employees?

VA medical centers are not in space managed by GSA which would limit our involvement. There is a child care contact at the Department of Veteran's Affairs who should be involved in the process. GSA will gladly share any advice pertaining to the establishment of an on-site child care center. VA medical center employees should contact the Child Care Services office of the Department of Veteran's Affairs Canteen Service.

SAMPLE MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING

among the

LIST PARTICIPATING AGENCIES

I. PURPOSE

This Memorandum of Understanding (MOU) sets forth the terms and conditions under which a child care facility (hereinafter, the facility) shall be provided start up assistance and other support for the benefit of the employees of LIST PARTICIPATING AGENCIES.

II. AUTHORITY

This MOU is entered into pursuant to the authority contained in the Economy Act, section 1535 of Title 31, United States Code. The parties have determined that the services provided pursuant to this MOU cannot be obtained as economically or as conveniently from a commercial enterprise, or by the parties acting independently from one another, and that the MOU is in the best interests of the Government.

This MOU exercises the authority of Federal agencies to assist in establishing child care facilities for Federal employees under section 490b of Title 40, United States Code, and such other authority as the agencies may have which allows assistance to be provided for child care services for Federal employees.

III. BACKGROUND

Each of the parties to this MOU has determined that a facility is necessary for the welfare of its employees. Employer support for child care services is a well-established mechanism for increasing productivity through improved staff recruitment and retention, reduced absenteeism, and higher employee morale. Such services are especially important for lower graded employees, who may find child care services difficult to obtain and the lack of such services an impediment to employment or advancement.

In furtherance of this commitment to providing their employees with child care services, the participating agencies have formed an interagency working group to oversee the actions necessary to establish a facility. The facility is defined as the physical space that houses the children and child care staff and in which a nonprofit organization operates a child care center. In addition, the participating agencies will also provide assistance in forming a working group to establish a nonprofit organization to operate the child care program.

IV. Responsibilities

A. Executive Agent

AGENCY 1 will serve as the Executive Agent for this MOU. With the concurrence of LIST OTHER PARTICIPATING AGENCIES , the Executive Agent will license (in accordance with the General Services Administration procedures for Licenses for Non-Federal Use of Real Property) the private, nonprofit organization that will organize and operate a child care program in the facility.

Additional Executive Agent Responsibilities include:

(1) determining and allocating pro-rata shares of the participating agencies' financial responsibility for furnishing and leasing space for the facility, as more fully described in Section V, Financial Arrangements, below;

(2) procuring and overseeing any required goods and services necessary to establish the facility;

(3) calling periodic meetings and producing memoranda and reports, with the assistance of designated agency representatives, as required to reach agreement about maintenance and special requirements for funding the facility;

(4) amending this MOU to obtain additional financial support (in the form of cost-sharing) from other Government agencies when those agencies' employees use the facility; and

(5) awarding and administering all required contracts and purchase orders to procure goods and services for the establishment of the facility.

B. Facilities Manager

The participating agency which has the largest number of children enrolled in the program during the preceding year at the facility shall designate, in writing, to the Executive Agent, a Facility Manager (from among its own employees, or, an employee from another agency, if the other agency agrees). The Executive Agent will inform the General Services Administration, in writing, of the designated official to handle day-to-day matters concerning the facility.

The Facility Manager will coordinate all participating agencies' requests for service and respond to any complaints which may be lodged regarding the facility. Requests or complaints regarding the child care program itself shall be the responsibility of the nonprofit organization operating the child care program. The Facility Manager will have primary responsibility for developing a Memorandum of Understanding between the participating agencies and the nonprofit organization providing child care services. The Facility Manager will also:

(1) record and coordinate all correspondence and verbal messages regarding deficiencies ~~in~~ the facility's maintenance, cleaning, and environment and report any such deficiencies to the designated General Services Administration official for action;

(2) perform and document periodic inspections of the facility and follow-up on any deficiencies found or reported;

(3) coordinate the activities of participating agencies concerning alterations and furnishings of the facility;

(4) prepare reports on the status and fitness of the facility for submission to participating agencies and, if necessary, the General Services Administration, as the lead official for interaction between the agencies and the program;

(5) cooperate as necessary with the Executive Agent and representatives of the participating agencies to ensure proper accounting of funds and property in which the United States Government may have an interest; and

(6) maintain records on the use of space and on the enrollment of Federal employees' children, in sufficient detail to provide the Executive Agent with the information needed to prepare the final billing.

C. Other participating agencies

Participating agencies agree to provide financial resources, as discussed below, for the lease of the facility and the initial purchase of agreed upon furnishings. Participating agencies shall designate a representative and an alternate, if necessary, to coordinate activities within each agency. The representative will perform activities in support of establishing the facility and provide reports on the progress of such activities, from time to time, to the interagency working group. Each agency should maintain documentation to adequately support all costs contributed to the start up and on going operation of the facility.

V. FINANCIAL ARRANGEMENTS

The costs associated with the furnishing and rental of the facility to be occupied by the program will be shared by the participating agencies as detailed below.

A. Anticipated costs

The anticipated costs associated with the establishment and operation of the facility generally will fall into two categories: (a) start-up and (b) facilities. Examples of the costs to be shared by participating agencies include, but are not limited to:

(1) the rent of office and program space;

(2) the construction and renovation to meet appropriate health and safety standards for a child care program;

(3) clinical janitorial services, utility services, telephone service, facilities repair and maintenance and any other costs not included in the basic lease; and

(4) procurement, and any subsequently required replacement of mutually agreed upon indoor and outdoor furnishings and equipment, *e.g.*, kitchen appliances, sinks, carpeting, playground equipment, cots, tables, and chairs.

These costs will also include any other expenses mutually agreed upon by the participating agencies as essential for the establishment of the program and which may properly be paid for with agency funds. An estimated budget reflecting start up costs and facilities costs will be developed and approved by participating agencies prior to agencies entering into the final reimbursable agreements with the Executive Agent.

B. Allocation of Costs

The Executive Agent will develop reimbursable agreements, prior to the beginning of each fiscal year, with projected costs in accordance with paragraphs (1) and (2) below for the initial fiscal year of operations of the child care facility, and in accordance with paragraph (2) for subsequent fiscal years.

(1) Start up costs

Onetime start up costs will be shared by each participating agency on a pro-rata basis in proportion to each agency's proposed enrollment. These non-refundable costs, covering alterations and furnishings for the facility, will be billed in advance at the beginning of the initial fiscal year of operations of the facility.

(2) Facilities costs

All costs of renting and maintaining the facility will be estimated each fiscal year, and billed in advance to the participating agencies at the beginning of the fiscal year based on the estimated number of children of each participating agency. These costs include, but are not limited to, rent, utilities, telephone services, repair and maintenance.

Adjustments to the advance for the facilities costs will be made at year-end, based on the following criteria:

(a) actual facilities costs;

(b) the monthly average of actual enrollments for each participating agency, as determined in cooperation with the Facility Manager and the child care program;

(c) the monthly average for each participating agency will be divided by the average for all participating agencies to establish a percentage of the total costs to be shared by each agency;

(d) the Executive Agent will apply each agency's percentage against the actual facilities costs to determine any remaining billing adjustments (charges or refunds).

VI. EFFECTIVE DATE AND DURATION OF THE MEMORANDUM OF UNDERSTANDING

This MOU is effective on the date of the last signature below by the approving officials and will continue in effect for each participating agency unless and until an agency withdraws by giving written notice at least 150 days before the end of its participation. Furnishings and other Government-owned personal property provided for the facility will remain in the possession of the facility and under the control, for inventory and accountability purposes, of the Executive Agent.

VII. MODIFICATIONS

This MOU may be modified at any time by written agreement of the parties.

VIII. APPROVALS

On behalf of our respective agencies, the MOU is approved.

(APPROVING OFFICIAL) (POSITION)	Date
(APPROVING OFFICIAL) (POSITION)	Date
(APPROVING OFFICIAL) (POSITION)	Date

SAMPLE LICENSING AGREEMENT BETWEEN THE DEPARTMENT/AGENCY AND NON-PROFIT, INC.

1. LICENSE AUTHORITY

This license is granted pursuant to the authority of and subject to the conditions in 40 U.S.C 490b. The licensee will obtain a written agreement from the child care provider with whom it contracts or otherwise arranges to provide child care at the site, to abide by these Special Conditions.

2. DEPARTMENT/AGENCY

The licensee or the licensee's child care provider shall give priority for available child care services to Department/Agency employees.

3. SUITABILITY BACKGROUND CHECKS

The child care provider and its employees shall be subject to suitability background checks as may be required by the Department, GSA and any pertinent local regulatory authority.

4. TERMS AND CONDITIONS OF OCCUPANCY

The child care center will be operated in accordance with the following terms and conditions:

a. Maintain and operate a developmental child care program from ____ a.m. to ____ p.m., Monday through Friday. At least 50% of the children enrolled in the program must be children of Federal employees. Children of Federal employees have priority with first priority to children of Department/Agency employees.

b. The center's employees shall comply with all building regulations and special building security arrangements. Building security arrangements may include the display of Government-furnished identification (ID) cards, where required. All Government furnished IDs remain the property of the Government and must be surrendered to the provider's management by all center employees leaving the provider's employ. Such IDs must then be immediately returned to the Government's designated building security officer.

c. Non-Profit, Inc. will establish all policies and provide management for the Department/Agency child care center.

d. Non-Profit Inc. shall not discriminate on the basis of race, religion, color, national origin or disability.

e. Non-Profit, Inc. shall be responsible for any damage to the equipment arising from deliberate acts of negligence by Non-profit, Inc.

f. Non-Profit Inc. shall maintain a scholarship fund for families in economic need.

5. GOVERNMENT FURNISHED SERVICES AND EQUIPMENT

The Government (including the Department/Agency and the General Services Administration (GSA), where appropriate) shall be responsible for providing and maintaining the physical facilities of the child care center, including the following:

a. Center facility. The Government shall be responsible for constructing, purchasing and otherwise providing a complete child care center facility suitable for occupancy and use as a day care center under applicable state and local (including District of Columbia) laws and regulations. The child care center shall have such closets, structures, shelving rooms, partitions, storage cubicles, kitchen facilities, bathrooms, and other built-in or portable facilities as are agreed upon by the parties and as are required by the local licensing regulations. The facility shall be suitable for occupancy by the licensee.

b. Equipment. The Department/Agency shall provide and maintain all equipment for the operation of the child care center. This includes, but is not limited to, the following items: cots, cribs, high chairs, changing tables and chairs, appliances (including refrigerators, microwave ovens and kitchen equipment), tricycles, wagons (suitable for transporting children), desks, chairs and telephones (including lines, hand sets and service connection). The licensee will acknowledge receipt of all items of equipment and other Government property in writing and shall maintain, during the term of this license and any extension thereof, a current inventory of all such equipment. The inventory shall be subject to periodic review and verification by the responsible Government property officers representing the purchasing agency(ies). Service contracts will be maintained by the Department/Agency on Government equipment. All such equipment provided by the Department/Agency shall remain the property of the Department/Agency.

c. Playground. The Department/Agency shall equip and maintain the playground area and will take security measures to insure the safety of children enroute to and from playground and while on the playground. Periodic health and safety inspections will be conducted by the Department/Agency.

d. Security Systems will be maintained by the Department/Agency. The Department/Agency in compliance with GSA policy will conduct semi-annual health and safety inspections of the child care facility.

6. RENEWAL

This license may be renewed annually on the anniversary date of signatures, upon the mutual agreement of the Government and the licensee.

7. STATUS OF LICENSEE AND OF CHILD CARE PROVIDER

Neither the licensee nor the child care provider is an employee or agent of the Government. Parents with children enrolled at the center shall contract directly with the child care provider.

8. INSURANCE

The licensee or the licensee's child care provider shall, at its own expense, provide and maintain during the term of this license, and any extension thereof, comprehensive liability insurance in an amount consistent with amounts maintained by comparable Federal day care centers. A copy of the insurance policy shall be provided to the Department/Agency at the following address prior to occupancy of the center.

Department/Agency
ADDRESS

All insurance policies will be reviewed annually by Department/Agency for adequacy of coverage. The licensee will be notified by GSA or the Department/Agency if the policy provisions do not provide proper liability coverage. An accident insurance policy will be maintained on all students by the provider.

9. CONFORMITY WITH STATE/LOCAL LAWS

The licensee's child care provider agrees to submit, upon request of a Department/Agency official, proof of its current state and local licenses to operate a child care center facility at this center.

10. TAX-EXEMPT STATUS

The licensee agrees to submit to the Department/Agency, upon request, proof of its tax-exempt charitable and educational status under Federal and state laws.

11. AUDIT AND DEMONSTRATION OF FINANCIAL RESOURCES

Upon reasonable request by the Department/Agency the child care provider must demonstrate that it is financially capable of continuing its operations under the terms of its license to use space. The licensee and the child care provider agree to provide the Department/Agency with an annual audit of their financial books, records, and expenditures, by an outside, independent auditor or accountant.

12. TERMINATION

Either the Department/Agency or the licensee may, by thirty days written notice to the other party, terminate this license.

13. CONSENT REQUIRED FOR ASSIGNMENT

This license may be assigned, provided the licensee has obtained prior written consent of the Department/Agency. Any attempt to assign any rights, duties, or obligations that arise under this license without such consent shall be void and of no effect.

14. DEPARTMENT/AGENCY APPOINTED OBSERVER

The Department/Agency may appoint an official to act as liaison between the Department and the licensee. This official will be duly notified of all of the licensee's regular meetings, and the licensee will grant him/her the right to attend. The official will function as a nonvoting observer.

15. RENT AND UTILITIES

The Department/Agency shall provide space for the child care center to operate rent free. The Department/Agency shall also provide lighting, heating, cooling, electricity, telephone service, water and sewage, and clinical/custodial services in accordance with GSA regulations. The Department/Agency will provide local telephone service to the center including authorized long distance service.

16. PARKING.

The Department/Agency will reserve parking spaces for short term use in dropping off and picking up children and at least _____ parking spaces for staff only.

17. EFFECTIVE DATE AND DURATION

This agreement is effective on the date of the last signature below and will continue in effect for each party unless and until terminated by either party under the conditions in section 12 of this agreement.

18. MODIFICATIONS

This agreement may be modified at any time by written agreement of the parties.

19. APPROVALS

On behalf of our respective parties, this agreement is approved.

____ ________________
Chairman Date
Nonprofit, Inc.

____ ________________
Agency Representative Date
Position

SAMPLE MEMORANDUM OF UNDERSTANDING BETWEEN A DEPARTMENT OR AGENCY SPONSORED PRIVATE NON-PROFIT CHILD CARE GROUP AND A CHILD CARE VENDOR

MEMORANDUM OF AGREEMENT BETWEEN
VENDOR INC.
AND
NON-PROFIT, INCORPORATED

This Agreement is made between the Developmental Child Care Center, Inc. and the Vendor, Inc., collectively referred to as NON-PROFIT, Inc. and Vendor, Inc.

NON-PROFIT, Inc. will:

1) **Premises** - Provide space in the ________ building and provide playground facilities for use by the Center.
2) **Alterations** - Make initial alterations, in conjunction with GSA, to make the space suitable for the day care use in compliance with applicable regulations for premises used for day care facilities.
3) **Services** - Provide clinical level of building maintenance provided in the ______ building, including janitorial and trash removal services.
4) **Utilities** - Provide utilities.
5) **Parking Spaces** - Request the (**state or municipality**) to reserve _____ parking spaces for short term use for dropping off and picking up children.
   The (**Department or Agency**) will provide at least ____________ parking space(s) for staff only.
6) **Security** - Provide the Center with security services, as provided by (**Department or Agency**), screen all child care center employees in accordance with GSA requirements.

7) **Telephone Service** - Provide local telephone services to the center, and authorized long distance service to be paid by NON-PROFIT, Inc.

8) **Equipment** - Provide Vendor, Inc. with a fully equipped center for 60 to 120 children and maintain equipment and office supplies. NON-PROFIT, Inc. will be responsible for equipping and maintaining the playground for the center at the ______ building.

9) **Scholarship Funds** - NON-PROFIT, Inc. will provide, distribute and maintain scholarship funds for the center and qualify for Combined Federal Campaign (CFC) donations.

10) **Board** - The chairman of the Board of NON-PROFIT, Inc. or designee will serve as a non-voting member on and liaison to the Board of Directors of Vendor, Inc.

11) **Health and Safety** - NON-PROFIT, Inc. will provide semi-annual health and safety inspections of the child care facility in accordance with GSA requirements. Playground will also be inspected regularly to insure a healthy and safe environment for children.

The Vendor, Inc. will:

1) **Policies and Management** - Establish all policies and provide management for the NON-PROFIT, Inc. Center.

2) **Accreditation** - Seek national accreditation within 2 years of operation.

3) **Operations** - Maintain and operate a developmental child care program from ___ a.m. to ___ p.m. Monday through

Friday, except on Federal government holidays, in a courteous, efficient and orderly manner. Use space and equipment with reasonable care. At least 50% of the children enrolled in the program must be children of Federal employees. Children of Federal employees have priority for places in the day care program with first priority going to children of (Department or Agency) employees.

4) Non-discrimination - Shall not discriminate against race, religion, color, national origin, or disability.

5) DAMAGE - Shall be responsible for any damage to the facility or the equipment arising from deliberate acts or negligence by Vendor, Inc.

6) Compliance with Regulations - Comply with all applicable laws and regulations, including license requirements of the (State and local authorities).

7) Insurance - Obtain and maintain general liability insurance in an amount consistent with amounts maintained by comparable Federal day care centers. The terms and conditions of such policy shall also be consistent with the terms and conditions of these comparable policies. The policy and any changes must be approved by the (Department or Agency). Vendor, Inc. will maintain an accident insurance policy on all children in the center.

8) Health and Safety Policies - Comply with all Federal, and local health and safety policies, including the (Department or Agency) smoking policy.

9) **Audit** - Vendor, Inc. will provide NON-PROFIT, Inc. with an annual vendor child care report from an independent auditor.

10) **Miscellaneous** - (a) seek the approval of NON-PROFIT, Inc. before making any alterations to the space; (b) pay for any additional janitorial services above the standard level of services provided in (**Department or Agency**) controlled space.

The parties agree that:

11) **Term** - The term begins on the Date of this agreement and continues through ________________. Thereafter, the
DATE
operation of the day care center may continue under the same terms and conditions unless either party gives (no less than 30) days notice of its intent to withdraw from the agreement.

12) **Termination** - This agreement may be terminated immediately by either party upon substantial breach of the conditions of the agreement by the other party.

13) **Notice** - Notice as provided in this agreement shall be given by hand delivery or certified letter as follows:

VENDOR, Inc.
Address

or

NON-PROFIT, INC.
Department or Agency Address

14) Independence of the Center - Vendor, Inc. is and shall continue to be an independent contractor and is not an agency or instrumentality of the Federal Government.

Parents with children enrolled at the day care facility must contract directly with the Vendor, Inc. for child care services.

Except for matters explicitly addressed in the agreement, decisions and responsibilities with respect to program, levels of enrollment, security, fees, tuition, hiring, policy-making, and any and all other aspects of the operation and conduct of the Center's business shall be the exclusive right, prerogative and responsibility of Vendor, Inc.

FOR VENDOR, INC.:

______________________________ ________________
Chair, Vendor, Inc. Date

FOR NON-PROFIT, INC.:

______________________________ ________________
Chair, NON-PROFIT, Inc. Date

MAY 17 1990

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS
FOR PUBLIC BUILDINGS SERVICE - 2P, 3P, 4P, 5P, 6P, 7P, 9P, WP

FROM: WILLIAM C. COLEMAN
COMMISSIONER - P (SIGNED) WOLFGANG J ZOELLNER

SUBJECT: Child Care Centers

As indicated in my April 2, 1990, memorandum to the Regional Administrators, the General Services Administration's (GSA's) commitment to the establishment of child care centers is focused on the build out of the physical facilities only, and because our full time equivalent resources are critical, personnel previously diverted to the establishment of child care centers have been reassigned. While these changes reflect the integration of this program into our basic mission, we should take pride in our accomplishments knowing that through the efforts of the regional and field office staffs, GSA has met client agency needs for child care centers at numerous locations throughout the nation. The positive commitment that was made resulted in the building of child care centers with a minimum of problems. The effort is noteworthy and appreciated.

Now that child care centers are a part of our normal operations, it is important that we preserve the real property investment and, more importantly, that we are sensitive to the child care mission. Therefore, please remind each field office manager and each manager of a delegated building within your region, that the entire environment of a child care center is part of our ongoing service delivery program. Building walk-throughs, inspections, and semiannual evaluations are opportunities to ensure that the services provided meet our expectations i.e., custodial services, life and fire safety aspects, ventilation, temperature ranges, preventive maintenance and minor repairs. Information developed from these evaluations, inspections, etc., concerning child care centers should be sent to regional child care coordinators for appropriate action and follow-up. This will ensure that our commitment to providing a safe and healthful environment is achieved for all your building tenants.

Your cooperation and support in this matter is appreciated and should you have questions concerning these matters, please contact Mr. Larry Greeny, FTS 241-1563.

Again, thank you for your hard work in making this program a success.

General Services Administration
Public Buildings Service
Washington, DC 20405

MAY 30 1990

MEMORANDUM FOR DIRECTOR, FEDERAL PROTECTION DIVISION - 5PS, WPS

CHIEF, LAW ENFORCEMENT BRANCH, 2PML, 3PML, 4PML, 6PML, 7PML, 9PML

FROM: DIRECTOR, ENFORCEMENT DIVISION

SUBJECT: Background Suitability Check Policy for Child Care Center Employees

The purpose of this memorandum is to reiterate the current background suitability check requirements for current and/or potential child care center employees.

As stated in the Commissioner, PBS policy directive of December 2, 1988 and the Commissioner, PBS memorandum of September 28, 1989, all personnel employed by child care centers, operating in GSA controlled space, are required to undergo background suitability checks. As further stated in these policy directives, it is the responsibility of the sponsoring or lead agency to ensure that all persons employed at the center undergo criminal record background checks and that a standardized procedure is developed and implemented to ensure compliance. Additionally, the child care provider is responsible for conducting a employment verification check for each employee.

Compliance with this policy is to be evaluated by regional Physical Security Specialists through the physical security survey process. In the event that background checks have not been conducted and/or procedures have not been implemented to ensure applicable background checks, this should be noted as a finding of the review and directed to the sponsoring agency for resolution.

To ensure that we are meeting our obligation to monitor this policy, please review the policy with all Physical Security Specialists and establish controls to ensure it is incorporated into the survey process.

Please address any questions to Ed Burns, Office of Physical Security and Law Enforcement, Enforcement Division (PSE), on (FTS) 241-4179 or (Comm) 202 501-4179.

JUN 2 5 1990

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS
FOR PUBLIC BUILDINGS SERVICE - 2P, 3P, 4P, 5P, 6P, 7P, 9P, WP

(signed) James F. Steele, Jr.

FROM: THOMAS H. WALKER
ASSISTANT COMMISSIONER
FOR REAL PROPERTY MANAGEMENT
AND SAFETY - PM

SUBJECT: Cleaning of Child Care Centers

In a recent memorandum about child care centers, the Commissioner, Public Buildings Service, reiterated the importance of providing a safe and healthful environment for our clients in these centers. Towards this goal, please ensure that all child care providers are cognizant of the cleaning requirements for their centers and of the person to contact in the Buildings Manager's Office if cleaning deficiencies arise.

It may be helpful to provide a copy of the cleaning standards or the contract specifications, as applicable.

To make it easy for child care providers to understand the cleaning services they are to receive, I have attached a checklist to be provided to each center. Since the checklist depicts only minimum cleaning standards, it should be tailored to fit the unique cleaning requirements of each child care center. Also attached is a listing of the centers located in GSA controlled space.

Questions concerning the cleaning of child care centers should be directed to Ms. Debra Yap, Chief, Ms. Shirley Hodrick, or Mr. Don Meadows, Buildings Services Branch (PMFS), on FTS 241-1446.

Attachments

cc:
Regional Administrators - 1A, 2A, 3A, 4A, 5A, 6A, 7A, 8A, 9A, 10A, WA
Regional Directors - 2PM, 3PM, 4PM, 5PM, 6PM, 7PM, 9PM, WPB

CHILDCARE CENTER CLEANING STANDARDS CHECKLIST

TASK	FREQUENCY	SAT	UNSAT
A. Room Cleaning:	Daily		
(1) Empty waste baskets			
(2) Dust horizontal surfaces of all furniture			
(3) Clean glass desk tops			
(4) Clean washbasins & mirrors			
(5) Supply paper towels where dispensers are provided			
(6) Sweep and mop or scrub floor			
(7) Thoroughly vacuum all carpeted areas			
(8) Spot clean carpet to remove all stains			
(9) Spot clean walls			
B. Toilet Cleaning:	Daily		
(1) Sweep and wet mop or scrub using a cleaner-disinfectant			
(2) Clean all surfaces and fixtures to include water closets, urinals, shelving, vents, washbasins, shower stalls, partitions, mirrors, waste receptacles, wall surfaces, and dispensers, utilizing a cleaner-disinfectant.			
(3) Empty waste receptacles, service/supply paper towels, soap, toilet paper and seat cover dispensers.			
C. Soiled Diapers Receptacles:	2x Daily		
(1) Remove sealed plastic bags containing feces and soiled diapers to designated area.			

TASK	FREQUENCY	SAT	UNSAT
D. Police:	Daily		
(1) Remove trash, clean drinking fountains and clean door glass to remove fingerprints, smudges, etc.			
E. Office Space:	Weekly		
(1) Dust vertical & under surfaces of furniture (knee wells, chair rung, table leg, etc. Child Center not included.			
F. Floor Maintenance:	Weekly		
(1) Damp mop and spray buff all hard and resilient floors.			
G. Glass & Wall Surfaces:	Monthly		
(1) Damp wipe both sides of glass in doors, partitions and bookcases, and any other glass within approx. 70" of the floor. Spot clean wall surfaces.			
H. High Clean:	Quarterly		
(1) Dusting or vacuuming all surfaces and objects approx. 70" or more from the floor.			
I. Carpet Cleaning:	Quarterly		
(1) Shampoo or dry clean all carpet. NOTE: Operation shall be scheduled on weekends to allow for thorough drying.			
J. Wash Walls:	Annually		
(1) Wash walls using germicidal solutions as prescribed by COR.			
K. Strip & Refinish:	Annually		
(1) Strip & refinish bare floor area using approved methods and chemicals.			

CHILD CARE CENTERS OPERATING IN GSA-CONTROLLED SPACE AND REGIONAL CHILD CARE COORDINATORS

REGION 1-COORDINATOR: John Marcic
26 Federal Plaza
New York, NY 10278
FTS/264-4562

John F. Kennedy Federal Building 617-227-7639
Government Center
Boston, MA 02203
Center Name: Government Child Care Center

IRS Center 508-474-5431
310 Lowell St.
Andover, MA 01810
Center Name: IRS Child Care Center

JFK Federal Building 617-742-5171
Gant Center
Boston, MA 02203
Center Name: Government Child Care Center

Thomas P. O'Neill Federal Building 617-523-8118
10 Causeway Street
Boston, MA 02222
Center Name: Government Child Care Center

IRS Center 203-525-8798
135 High Street
Hartford, CT 06103
Center Name: Federal Child Care Center

Waltham Center 617-647-7763
Army Corps of Engineers
424 Trapelo Road
Building 110
Waltham, MA 02254
Center Name: A Bright Horizon's Children's Center

REGION 2-COORDINATOR: John Marcic
26 Federal Plaza
New York, NY 10278
FTS/264-4562

Kenneth B. Keating Federal Building 716-546-7070
and Courthouse
100 State Street
Rochester, NY 14614
Center Name: First Step Child Care Center

James M. Hanley Federal Building 100 South Clinton Street Syracuse, NY 13202 Center Name: Salvation Army Clinton Street Day Care Center	315-423-9165
Jacob K. Javits Federal Building 26 Federal Plaza New York, NY 10278 Center Name: Fed Kids Child Care Center	212-732-4115
Leo W. O'Brien Federal Building Clinton Avenue and North Pearl Street Albany, NY 12207 Center Name: Montessori Club Federal Child Care Center	518-472-4593
Peter W. Rodino, Jr. Federal Building 970 Broad Street Newark, NJ 07102 Newark Federal Kids-Care, Inc.	

REGION 3-COORDINATOR: Harry J. Patterson
Robert N.C. Nix Federal Building
and U.S. Post Office
Ninth & Market Streets
Philadelphia, PA 19107
FTS/597-1355

Federal Building 5000 Wissahickon Ave. Philadelphia, PA 19144 Center Name: Academy for Early Learning Center	215-951-5554
William F. Greene Federal Building 600 Arch Street Room 1211 Philadelphia, PA 19106 Center Name: The Learning Tree: Independence Mall	215-627-1081
Moorhead Federal Building 1000 Liberty Avenue Pittsburgh, PA 15222 Center Name: Wee The People Day Care Center	412-281-1330
Roosevelt Federal Building 11501 Roosevelt Boulevard Philadelphia, PA 19154 Center Name: Sound Start/UpStart	215/969-2143
Arena Complex (serving Fallon FB) 200 West Lombard Street Baltimore, MD 21201 Center Name: Fallon Federal Child Care, Inc.	

REGION 4-COORDINATOR: Brenda Rice
Richard B. Russell Federal Building
75 Spring Street, SW
Atlanta, GA 30303
FTS/841-1850

Thurmond Federal Building 803-252-4006
1835 Assembly Street, Room 113 791-0884
Columbia, SC 29201
Center Name: ABC Darian Mini-school

IRS Service Center 606-292-3280
203 West 2nd Street
Covington, Kentucky 41011
Center Name: The Treasure House

Peachtree Summit 404-331-1600
P.O. Box 26
Atlanta, GA 30308
Center Name: Summit Child Care Center

Federal Building 502-583-2273
600 Martin Luther King, Jr. Place 502-583-2334
Louisville, KY 40202
Center Name: Uncle Sam's Place

REGION 5-COORDINATOR: Liz Themelis
John C. Kluczynski Federal Building
203 South Dearborn Street
Chicago, IL 60604
FTS/353-1128

Battle Creek Federal Center 616-961-4271
74 N. Washington Ave.
Battle Creek, MI 44017
Center Name: The Little White House

McNamara Federal Building 313-226-4999
477 Michigan Ave.
Detroit, MI 48226
Center Name: Federal Child Care Center

B.H. Wipple Federal Building 612-726-1046
Fort Snelling
Saint Paul, MN 55111
Center Name: New Horizons Child Care Center

Custom House 312-353-8687
610 S. Canal Street
Chicago, IL 60607
Center Name: Supertots

Minton Capehart Federal Building 317-637-3797
575 N. Pennsylvania Street
Indianapolis, IN 46204
Center Name: Circle City Funshine Factory

Anthony J. Celebrezze Federal Building 216-522-4453
1240 East 9th Street
Cleveland, OH 44199
Center Name: U.S. Kids Child Care Center

Federal Courthouse and Custom House 218-727-4023
515 West 1st Street
Duluth, MN 55802
Center Name: Early Years Child Care Center

Everett Dirksen Federal Building 312-427-3342
219 S Dearborn Street
Chicago, IL 60604
Center Name: Supertots

O'Hare Office Plaza 708-803-5181
2300 East Devon
Suite 171
Des Plaines, IL 60018
Center Name: Parkside Children's Services at the Lake

John W. Peck Federal Building 513/684-6373
550 Maine Street
Cincinnati, OH 45202
Center Name:

REGION 6-COORDINATOR: Mr. James Hoover
Federal Building
1500 East Bannister Road
Kansas City, MO 64131
FTS/926-7616

Robert Denney Federal Building 402-476-7644
and Courthouse
100 Centennial Mall
Lincoln, NE 68508
Center Name: Centennial Mall Child Care Center

Federal Building 816-421-6888
601 East 12th Street
Kansas City, MO 64106
Center Name: Corporate Kids

Federal Building 515-282-3719
210 Walnut
Des Moines, IA 50309
Center Name: Developmental Day School

Federal Building 816-926-1616
1500 Bannister Road
Kansas City, MO 64131
Center Name: Creative World

REGION 7-COORDINATOR: Norma Mordell
819 Taylor Street
Fort Worth, TX 76102
FTS/334-3965

Alfred P. Murrah Federal Building 405-231-4808
200 N.W. 5th Street
Oaklahoma City, OK 73102
Center Name: Uncle Sam's Kids Korner

Fort Worth Federal Center 817-334-5228
501 Felix Street, Bldg. 24
Fort Worth, TX 76115
Center Name: A Child's Place

IRS Service Center 512-462-8233
Austin Interagency Child Care Center
P.O. Box 19502
Austin, Texas 78760
Center Name: Future Stars

Federal Building 214-748-6077
207 South Houston
Dallas, TX 75219
Center Name: Stars And Tykes

Concorde Tower 713/759-0440
2001 Louisiana
Houston, Texas 77002
Center Name: Concorde School

REGION 8-COORDINATOR: Sandy Kastella
P.O. Box 25006
Denver, CO 80225-0006
FTS/776-7216

Denver Federal Center 303-233-5244
Building 64
Denver, CO 80225
Center Name: Developmental Day School

IRS Service Center 801-625-7547
1160 West 1200 South
Ogden, UT 84409
Center Name: Ogden Service Center Child Care Center

Colonnade Center Federal Building 303/571-0512
1244 Speer Boulevard
Denver, CO 80204
Center Name: Developmental Day School

REGION 9-COORDINATOR: Eric Williams
GSA Center
Auburn, WA 98002
FTS/396-7259

Chet Hollifield Federal Building 714-643-4258
24000 Avila Road
Laguna Nigel, CA 92656
Center Name: Ziggurate Child Development Center

City Hall South 213-237-1267
111 East First Street
Los Angeles, California 90012
Center Name: Charole City Child Development Center

Federal Building 808/537-9351
300 Ala Moana Blvd.
Honolulu, HI 96813
Center Name: Prince Kuhio Child Care Center

2800 Cottage Way 916/971-4134
Sacremento, CA 95864
Center Name: Cottage Kids Children's Center

REGION 10-COORDINATOR: Eric Williams
GSA Center
Auburn, WA 98002
FTS/396-7259

GSA Headquarters 206-939-0234
15th and C Street, SW
Auburn, WA 98002
Center Name: Willow Place Child Care Center

Park Place Building 206-442-8212
1200 6th Avenue
Suite 200
Seattle, WA 98101
Center Name: Park Place Child Care Center

Federal Center South 206-767-5797
4735 E. Marginal Way South
Seattle, WA 98134
Center Name: Tall Cedars

Multnomah Building 503-294-0847
120 SW 4th Street
Portland OR 97204
Center Name: Joyful Noise Child Care Center, Inc.

Federal Building 503/230-4114
1002 Holladay
Portland, OR 97232
Center Name: Children's Holladay Center

NCR-COORDINATOR: Diane Savoy
GSA Regional Office Building
Room 7022
7th & D Streets, SW
Washington, DC 20405
472-6161

Department of Housing and Urban Development 202-554-2331
451 7th St., SW
Washington, DC 20410
Center Name: Creative Child Development Center

Department of Education 202-732-5466
400 Maryland Ave., SW
Washington, DC 20202
Center Name: Maenylie Day Care Center

Department of Health and Human Services 202-488-3362
200 Independence Ave., SW
Washington, DC 20201
Center Name: HHS Child Development Center

Department of Labor 202-523-8553
200 Constitution Ave., NW
Washington, DC 20210
Center Name: DOL Child Care Center

Department of Transportation 202-267-7672
800 Independence Ave., SW
Washington, DC 20591
Center Name: DOT Day Care Center

General Services Administration 202-523-6945
18th and F Streets, N
Washington, DC 20405
Center Name: Fingerprints

Environmental Protection Agency 202-475-7290
4th and M Streets, SW
Washington, DC 20024
Center Name: Early Environments Child Development Center

Silver Hill Executive Plaza 301-899-0501
3701 St. Barnabus Road
Suitland, MD 20746
Center Name: Bureautots Child Care Center

General Services Administration 202-755-0886
Regional Office Building
7th & D Streets, SW
Washington, DC 20407
Center Name: The Creative Child Development Center

Department of Commerce 202-377-8587
Herbert Clark Hoover Building
14th and Constitution Avenue, NW
Washington, DC 20230
Center Name: Fun Shine DC

Federal Trade Commission 202-326-2135
6th & Pennsylvannia Ave.
Washington, DC 20580
Center Name: FTC Child Care Center

IRS Building 202-566-4753
Washington, DC 20224
Center Name: Stay-N-Play Child Development Center

The Pentagon 703/521-0223
200 Boundary Drive
Arlington, VA 22202
Center Name: Pentagon Child Development Center

Union Center Federal Building 202/357-8200
825 N. Capitol Street, NE
Washington, DC 20426
Center Name: Martha O. Hesse Child Care Center

ESTABLISHMENT AND FURNISHING OF FEDERAL CHILD CARE CENTERS

When space is allotted to a child care center, such space may be provided without charge for rent or services. The law authorizing the establishment of such centers defines "services" to include provision of "lighting, heating, cooling, electricity, telephone service (including installation of lines and equipment and other expenses associated with telephone service), and security systems (including installation and other expenses associated with security systems)." More specifically this includes the following:

A. Design services for the establishment of the center.

B. Build-out services as necessary and fixtures including, but not limited to:

  - Child sized toilets
  - Sinks
  - Basins
  - Built-in cabinets
  - Shelving
  - Closets
  - Bookcases
  - Mailboxes
  - Partitions for special play areas
  - Fire alarm and detection equipment
  - Utility hookups for kitchen and office equipment
  - Other specialized features necessary to meet state and local requirements.

C. Personal property including, but not limited to:

  - Kitchen appliances

  - Furniture (children)

    Cots
    Cribs
    High chairs
    Changing tables
    Stools
    Tables and chairs
    Toys
    Games
    Tricycles

- Furniture (adult)

    Desks
    Chairs
    Telephones
    Office equipment
        - Typewriter
        - Copier
        - File cabinets
        - Terminal

- Washer-dryer

- Wagons for transporting children

- Outdoor play equipment

Agency__________________
Address__________________
Contact Name & No.________
____
Date (mo.)_______(yr.)___

MARKET SURVEY

The following market survey will be used to assess each child care facility located within the work site or a 5 block radius of work site. Work sites located in rural areas should extend their areas of consideration to commuting routes.

Note: This survey should be conducted by the appointed Child Care Representative within each location and not be performed by all employees.

1. Name of Child Care Organization: ________________________

____

Proximity to work site: ____________________________

*National Vendor__________
*Church Sponsored__________
*Private Provider__________
*Local Industry____________
*Fed/State/Local Gov't______
*Parent Co-op______________

2. What age range does your organization accommodate and how many children are currently enrolled in each category:

	Age	No. Enrolled	Waiting List	Length of Wait
Infant				
Toddler				
Preschool				
School Age				

3. If not already available, are you considering offering infant care?

Yes____ No_____ When ____________________ (mo./yr.)

4. What are your hours?

5. Do you offer "early bird" or "late pickup" services?_____
If so, do you charge an additional fee for these services?
Yes_____ No_____ How much?__________________

6. In which geographic locations do the majority of your patrons work? ____________________ How many are Federal employees? ____________________

7. What are your child care rates?

	First Child	Second Child
All Day, every day		
All Day, occasionally		
Half Day, every day (kindergarten)		
Half Day, occasionally		
Summer Care		
Hourly, occasionally		
Before school only		
After school only		
Both before & after school		

8. What type of meal program do you provide?

	Hot	Cold
Breakfast		
Lunch		
Dinner (if appropriate)		
Parents Provide		

9. What types of food do you serve for snacks?

10. What are the educational/experience backgrounds of your faculty/staff?

11. What is the teacher/child ratio?

12. Can you describe a typical day at your center? (field trips; educational activities; daily exercise; naps)

13. What is the level of parental involvement at your site?

14. What supplies are parents expected to provide e.g. blanket, pillow, change of clothes, etc.?

15. How do you advertise? (posters in shopping malls, newspaper ads, yellow pages)

16. May I make an appointment to visit your facility?

17. Are there any plans in the immediate future to expand your facility? Yes ____ No ____

    If yes, please explain:

18. Are you aware of any other child care centers planning to expand or any new centers opening? Yes ____ No____

    If yes, please explain:

MODEL CHILD CARE NEEDS ASSESSMENT SURVEY

Please take a few moments to respond carefully to these questions. The answers you provide are essential for planning a possible on-site child care center to address the child care needs of Federal employees. This survey will also help to determine the capacity of the center as well as the type of care needed now and in the future.

The information you provide in this questionnaire will be treated confidentially, and will be used for planning purposes only. You do not need to sign your name. Your participation in the survey does not obligate you in any way. If there are topics not covered that you would like to see addressed, please add your comments on the last page.

Thank you for your participation!

Identification of Survey Area: Date__________

YOUR AGENCY
OR FIRM____

BUILDING NAME
& ADDRESS____

CITY
& STATE____

I.SOME QUESTIONS ABOUT YOUR CHILD CARE NEEDS

1. Do you have children who require child care while you work?

____ yes ____ no

How many preschool children do you have, and what are their ages?

(For each age range, indicate the number of children in your family.)

____ 0-18 months ____ 18 months-3 years

____ 3 years to school age

2. Do you plan to have children or adopt children within the next two years?

____ yes ____ no

What type(s) of child care do you predict you may need in the next 3 years?

____Infant Care ____Preschool Care

____Toddler Care ____School-age Care

____Before or After School Care

If you answered "Yes" to either question 1 or question 2, please continue with question 3. Even if you responded "No" to both questions, your shared experience and interest in our child care project are still very important! Please answer question #II-7, and share any comments you may have.

3. What type of child care arrangement do you presently have?

____In-home sitter ____Stay with neighbor

____Child care center ____Stay with relative

____Other (explain) ________________________________

____

____

4. Do you anticipate changing your child care arrangements within the next 6 months?

____ yes ____ no

If you answered "Yes" to question 4, and you anticipate making a change, please indicate your reason (s) for your decision.

____ Inconvenient location ____ Not dependable

____ No interaction with other children ____ Too costly

____ Caregiver problem(s)

____ Limited educational value

____ Inconvenient hours

____ Safety/Sanitation

____ Limited individual attention

____ Other (specify) ________________________________

5. If a child care center for children of Federal employees were established, would you consider enrolling your child if it were:

On-site? ____ yes ____no

Nearby? (5 blocks or less) ____ yes ____no

If your answer to either is "No," please explain________

____

6. What are you presently paying (per child) for child care?

____Less than $40 per week

____$40-$50 per week

____$50-$60 per week

____$60-$70 per week

____$70-$80 per week

____$80-$90 per week

____$90-$100 per week

____$100-$120 per week

____$120-$140 per week

____$140-$160 per week

7. What tuition charge per week, would you be willing to pay for on-site child care for your child?

____$50-$60 per week

____$60-$70 per week

____$70-$80 per week

____$80-$90 per week

____$90-$100 per week

____$100-$120 per week

____$120-$140 per week

____$140-$160 per week

II. SOME QUESTIONS ABOUT YOU...

1. How do you get to and from work?

____Public transportation ____Member of carpool

____Drive own car ____Other (walk, bike)

2. In the past 6 months, how many whole working days have you missed due to some child care-related problem?

____ Not any ____Once

____ Twice ____Three or more times

3. In the past 6 months, how many times have you missed from 15 minutes to one half day of work due to a child care-related problem?

____Not any ____One time

____Two times ____Three or more times

4. What are your normal working hours?

Time of your arrival:

____6:00-6:30 am ____6:30-7:00 am ____7:00-7:30 am

____7:30-8:00 am ____8:00-8:30 am ____8:30-9:00 am

____9:00-9:30 am ____9:30-10:00 am

Time of your departure:

____2:30-3:00 pm ____3:00-3:30 pm ____3:30-4:00 pm

____4:00-4:30 pm ____4:30-5:00 pm ____5:00-5:30 pm

____5:30-6:00 pm ____6:00-6:30 pm

Alternate work schedules (Other shift, "Flex" time, etc.), please describe________________________________

____

____

5. How often do you work overtime? (Circle your answer)

   Constantly Frequently Seasonally Seldom Never

6. How often do you travel on business? (Circle your answer)

   Constantly Frequently Seasonally Seldom Never

   Typical travel schedule is _____ days per month.

7. I would be willing to work on setting up and supporting a child care center if one is established:

   ____yes ____ no

   If you answered "Yes," please supply the following information:

   Name________________________ Agency____________

   Mailing Address________________________

   ____

   Telephone: work________________________

III. YOUR COMMENTS PLEASE...

Any comments or suggestions you may wish to add will be most appreciated.

____

____

____

____

____

____

____

Please...return your completed questionnaire as soon as possible to:

____

Thank you!

(Revised: 9/89)

Agency ____________________
Address ____________________
Contact Name & No. ____________________
____
Date (mo.) __________ (yr.) ______

EMPLOYEE/PARENT SURVEY

To assess the potential need for a child care center for our organization, it is necessary to survey the needs of our employees and competitive rates and services of available child care. To this end, we request each parent to complete the following survey form as accurately as possible and return it to: ________________ by ________________. Thank you for your participation.

1. Age and number of preschool children in your household:

    Age _____ Number _____
    Age _____ Number _____
    Age _____ Number _____

2. Do any of your children require specialized care or medicine?

    Yes _____ No _____

    If yes, describe ______________________________

3. Current child care arrangement, monthly fee and distance from office:

Type	Fee	Distance from Office
Child Care Center	_____	____________
Private School	_____	____________
Public School	_____	____________
Independent sitter	_____	____________
Relative	_____	____________
Other ____________	_____	____________

4. Please rate the following features of child care in terms of their importance to you. (1 being least, 10 being most important)

    ____ convenience to work
    ____ reasonable rates
    ____ flexible hours
    ____ hot lunches
    ____ parental participation
    ____ outdoor play activities
    ____ ability to visit children at lunch
    ____ teacher-child ratio
    ____ education of staff
    ____ field trips
    ____ developmental activities
    ____ safety/sanitation
    ____ availability of intermittent hours

5. If interested, what type of care would be desired?

		TIME	
a.	____ All day, every day	From ____	To ____
b.	____ All day, occasionally	____	____
c.	____ Half day, every day (Kindergarten)	____ ____	____ ____
d.	____ Half day, occasionally	____	____
e.	____ Summer care	____	____
f.	____ Hourly, occasionally	____	____
g.	____ Before school only	____	____
h.	____ After school only	____	____
i.	____ Both before and after school	____ ____	____ ____

6. What hours would you find convenient for a child care center?

7. If a child care center were located in our organization and offered competitive rates and flexible hours, would you be interested in using the facility? _____ Yes _____ No

If yes, please complete the following:

Age of children using part-time care: Age(s) _______
Age of children using full-time care: Age(s) _______

8. If interested in using our child care center, when would you be interested in making the change?

Doesn't matter______
Beginning of summer______
End of summer______
Mid-semester______

9. How frequently are you required to work past your normal work hours? ________________________

10. How many hours of leave would you save monthly if a facility were located convenient to work? ____________________

11. Would you be willing to pay:

$55-$60 per week per child (Age 2-5) Yes _____ No _____
$95-$100 per week per child (infant) Yes _____ No _____

12. Are you willing to work to set up and support a child care center? Yes _____ No_____

13. Would you be interested in serving on the Board of Directors?

_____ Yes _____ No

14. Are you interested in serving as a member of the Parent Advisory Council? Yes _____ No _____

15. If yes to questions 12 through 14, please provide the following information:

Name ______________________________

Agency/Company ______________________________

Work address ______________________________

____

Work phone ______________________________

Home phone ______________________________

17. Comments/ suggestions:

ATTACHMENT FOR START UP PROCESS FOR CHILD CARE CENTERS IN GSA-CONTROLLED SPACE

Listed below is a brief overview of the start up process for establishing a child care center in GSA-controlled space. Consistent with the mission of GSA's Office of Child Care and Development Programs to improve the quality of child care offered to Federal families, recommendations are provided to assist Federal agencies to meet that goal. The Office of Child Care and Development Programs and the appropriate Regional Child Care Coordinator should be consulted for further guidance.

OBTAIN MANAGEMENT COMMITMENT

A commitment from the local Federal agency's or agencies' top management is crucial to the development and operation of a child care center. It is the key to the release of funds to develop the center and to the agency's continuing support.

FORM ORGANIZING COMMITTEE

The committee should reflect the grade and occupational make-up of the agency(ies) which will utilize the center and should be comprised of individuals whose professional expertise or background will benefit the committee (e.g. accountant, attorney, educator, procurement officer, etc.). In many cases, some members of the organizing committee stay on as future board members.

When more than one sponsoring agency is involved, each should be proportionally represented on the committee according to their occupancy within the building.

ESTABLISH INTERAGENCY MEMORANDUM OF UNDERSTANDING

When more than one agency sponsors a center, a Memorandum of Understanding (MOU) should be signed between the agencies involved. The MOU establishes the framework within which the agencies will participate in developing and equipping the center. One agency is designated the lead agency and acts as the contracting agent for the development and construction of the center. A sample multi-agency MOU is included in this section.

CONDUCT SURVEYS

1) The organizing committee conducts a needs assessment to determine:
    a) the need for workplace child care
    b) the expected population of the center

- c) the ages of children in need of care
- d) desired hours of operation
- e) the types of services to be provided

2) In large metropolitan areas a market survey should be conducted to determine:
    - a) the availability of other existing child care services
    - b) tuition costs

A sample needs assessment and market survey are included in this section.

CONTACT GSA

1) GSA's Office of Child Care and Development Programs can:
    - a) serve agencies and centers in a consulting capacity during development and operation
    - b) provide advice pertaining to programs, administration of centers, and service delivery
    - c) direct agencies to appropriate local and national resources

2) GSA's Regional Child Care Coordinator will:
    - a) work with the organizing committee and discuss options available for establishing a child care facility
    - b) bring the appropriate GSA officials into the process as needed
    - c) inform the Office of Child Care and Development Programs of center status on a regular basis
    - d) collect data on center once operational

DESIGNATE SERVICE PROVIDER

1) Options for service provider:
    - a) non-profit direct operation-a board of directors is organized to govern the center and provide the service
    - b) for-profit/non-profit vendor contract-a board of directors is organized and solicits a for-profit or non-profit vendor to provide the child care service

2) A Memorandum of Understanding (MOU) should be signed between the board of directors and sponsoring agency(ies). If a vendor is contracted, an MOU should be signed between the board of directors and the vendor. The MOU will state the responsibilities and expectations of each party. Sample board/agency and board/vendor MOUs are included in this section.

EVALUATE SPACE NEEDS/SEEK SPACE

1) Organizing committee will:
    a) notify local licensing authorities of plans to develop a child care center; obtain state and local regulations & standards for operating center-based child care
    b) meet with appropriate GSA officials to discuss the space needs of the child care center
    c) submit SF-81 ("Request for Space") to GSA

2) GSA will:
    a) evaluate space needs based on the needs assessment
    b) launch search for space
    c) evaluate available space options, such as existing Government owned or leased space.
    d) work with appropriate officials to facilitate the assignment of space
    e) coordinate any necessary space assignment
    f) coordinate the design and building-out of the designated child care space

ASSIGN SPACE

Assignment of space is generally governed by state or local regulations. In some instances child care centers are required to be on the ground floor for easy access to building exits. Other considerations include building security, accessibility, plumbing requirements, and alteration costs.

PLAN SPACE LAYOUT

GSA will design the space for the child care center. The child care provider and the Office of Child Care and Development Programs can provide input on space design.

PROVIDE SPACE ALTERATIONS

1) GSA provides initial alterations
    a) removal of asbestos and lead paint
    b) plumbing in accordance with local regulations
    c) utility hook-ups
    d) installation of fire alarm and detection equipment required to meet Federal, State or local codes
    e) cabinetry
    f) heating and air conditioning
2) Sponsoring agency provides above standard alterations

SECURE LICENSE

Child care provider must obtain local and/or state license.

HIRE STAFF

Staffing is the key to quality

1) Use staff ratio and group size guidelines published by NAEYC
2) Allow time for any preliminary staff training
3) Conduct employment background check
4) Sponsoring agency(ies) or GSA will conduct background suitability checks

MARKET PROGRAM

Federal law requires at least 50% of enrollment be children of Federal employees. A copy of the Trible amendment governing child care centers for Federal families located in GSA-controlled space is included in this section.

1) Publicize the center through agency newsletters, director/board member participation in seminars, brochures, and agency activities
2) Plan opening celebration

OBTAIN LIABILITY INSURANCE

Before a center begins operations it is necessary for the board of directors and provider to obtain liability insurance.

ENROLL CHILDREN

1) Begin enrolling children before center opens
2) Meet with parents, provide information on center programs, activities, and policies

EQUIP THE CENTER

Equipping the center is the responsibility of the sponsoring agency(ies) and includes, but is not limited to, office and children's furniture, telephones and service, toys, office equipment, refrigerator, and washer and dryer. When equipping a center it should be remembered that items purchased by the agency stay with the center and items purchased by the provider stay with the provider. Agencies should maintain service contracts on agency equipment.

OPEN THE CENTER

Timing is crucial. Parents typically make child care plans according to the academic year. All planning, space development, staffing, and enrollment should be done to allow for a summer opening. Supplies and equipment for the center should be ordered early in the process to allow for delivery in time for the center opening.

The opening of a child care center is a time to build networks and to garner community support. A grand opening will provide agency employees and management an opportunity to see the center, meet the staff, and to learn about the program.

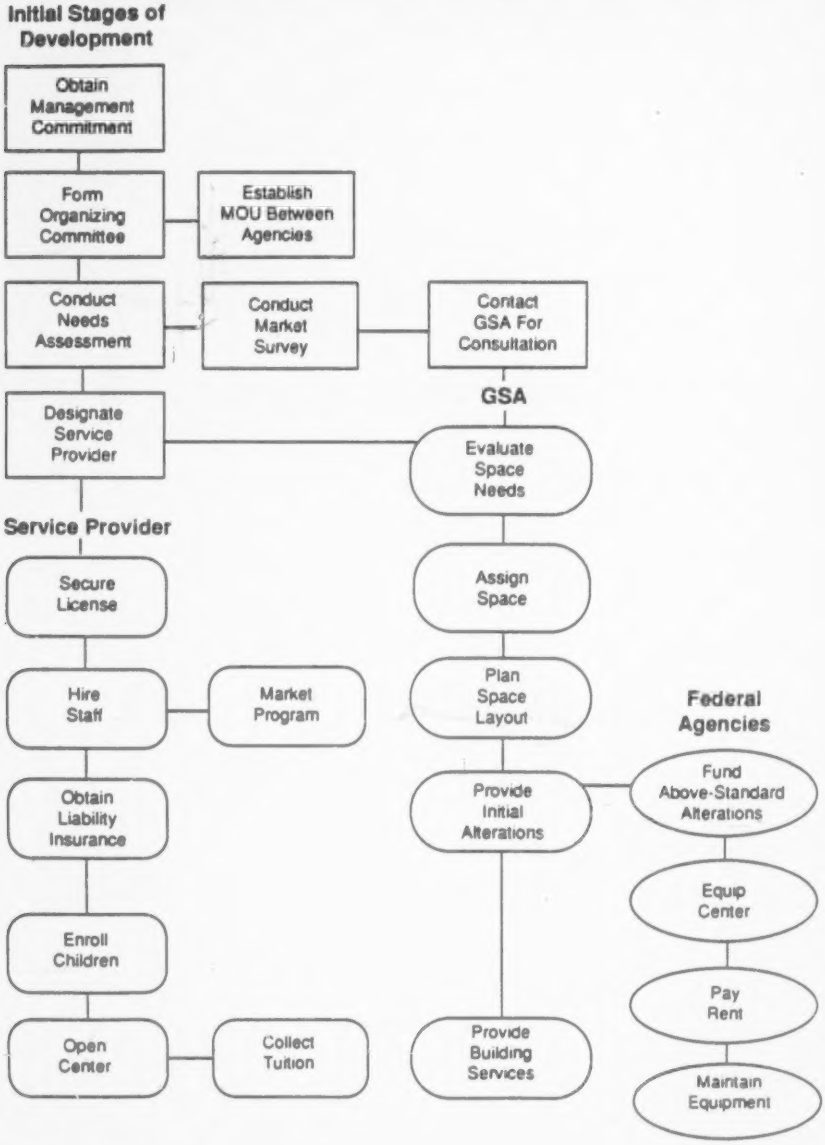
PAY THE RENT

The sponsoring agency(ies) pays rent to GSA in accordance with established guidelines for common use space.

SUPPLY BUILDING SERVICES

1) Child care centers are entitled to cleaning, utilities, and the standard building services provided to other Federal tenants
2) According to GSA handbook entitled "Cleaning Standards for Clinical Space," child care centers shall be cleaned to clinical standards. A cleaning checklist is included in the following section.
3) Child care centers in GSA-leased space are cleaned according to lease specifications

Start-up Process for Child Care Centers in GSA-Controlled Space


Initial Stages of Development
Obtain Management Commitment
Form Organizing Committee
Establish MOU Between Agencies
Conduct Needs Assessment
Conduct Market Survey
Contact GSA For Consultation
GSA
Designate Service Provider
Evaluate Space Needs
Service Provider
Secure License
Assign Space
Hire Staff
Market Program
Plan Space Layout
Federal Agencies
Obtain Liability Insurance
Provide Initial Alterations
Fund Above-Standard Alterations
Equip Center
Enroll Children
Pay Rent
Open Center
Collect Tuition
Provide Building Services
Maintain Equipment

CHOOSING A CONSULTANT

Depending on the expertise of the organizing committee, a decision may be made to choose a consultant to assist with specific aspects of planning the child care center. The GSA Office of Child Care and Development Programs can provide initial consultation and resource materials as well as assistance in defining specific tasks for the consultant. Once tasks are determined, the committee should take the following steps:

1. Contact several consultants requesting resumes, references and sample final reports.
2. Contact references and discuss quality of work.
3. Meet with each consultant and discuss your specific needs; e.g. facility design, marketing, program issues
4. Provide a scope of work
5. Have consultant submit a proposal in response to the discussions and scope of work
6. Select the best consultant and develop the contract

Assessing the credentials of the consultant:

*Consider experience and expertise in the specific area or areas in which you need assistance; e.g. facility design, budget, curriculum, marketing, equipment purchases, playground design

*Assess overall knowledge of the field: knowledge of demographic and early childhood trends, issues, accepted practices in the field, promising developments, legislation

*Assess knowledge of local regulations, licensing standards and other local and state requirements for center operation

*Discuss the consultant's position on specific issues such as accreditation, board composition, curriculum development and evaluation

*Assess knowledge of child care operations in GSA-controlled space

The consultant/committee relationship will depend, to a great extent, on the specificity of the scope of work. In some cases it may be necessary to hire more than one consultant for different tasks whereas some centers can become operational without a consultant. The major task of the organizing committee is to collect as much information as possible from existing resources and determine which specific task areas are in need of the skills of a consultant.

TRIBLE AMENDMENT

Authority allowing Federal agencies to establish child care centers is provided under 40 U.S.C 490b, commonly known as the "Trible Amendment." It states:

SEC. 139. (a) Notwithstanding section 101(i) and section 102(c) of this joint resolution, and notwithstanding any provision of H.R. 3036, if any individual or entity which provides or proposes to provide child care services for Federal employees applies to the officer or agency of the United States charged with the allotment of space in the Federal Buildings in the community or district in which such individual or entity provides or proposes to provide such services, such officer or agency may allot space in such a building to such individual or entity if -

(1) such space is available:

(2) such officer or agency determines that such space will be used to provide child care services to a group of individuals of whom at least 50 percent are Federal employees; and

(3) such officer or agency determines that such individual or entity will give priority for available child care services in such space to Federal employees.

(b)(1) if an officer or agency allots space to an individual or entity under subsection (a), such space may be provided to such individual or entity without charge for rent or services.

(2) If there is an agreement for the payment of costs associated with the provision of space allotted under subsection (a) or services provided in connection with such space, nothing in title 31, United States Code, or any other provision of law, shall be construed to prohibit or restrict payment by reimbursement to the miscellaneous receipts or other appropriate account of the Treasury.

(3) For the purpose of this section, the term "services" includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone service), and security systems (including installation and other expenses associated with security systems).

Listed below are participants from the Department of Veterans Affairs who attended the GSA Conference, "Developing Partnerships for Quality Federal Child Care," on July 13 & 14, 1990.

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